

THE INDEPENDENT

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Ireland: there is a solution

Plans for a new political geography covering Britain and Ireland emerged yesterday in a historic scheme that promises not just Anglo-Irish connections, but links with Edinburgh and Cardiff too. And as our Ireland Correspondent reports, parties covering most of the political divide found something in the plan to welcome.

The short but significant document, hatched in a series of telephone calls between Tony Blair in Tokyo and Bertie Ahern in Dublin, puts forward the new ideas not as a blueprint for a settlement but as their recommendations for the shape of future negotiations in the Stormont multi-party talks.

Formidable problems remain in finding agreement on how the various elements can be slotted into place together. Unionists, for example, will be

BY DAVID MCKITTRICK

intent on forging the strongest possible east-west connections in an attempt to strengthen Northern Ireland's links with Britain.

Since nationalists regard north-south links within Ireland as their priority, they will by contrast push for maximum powers to be conferred on a new north-south institution. Reconciling these two approaches will form the stuff of negotiation in the months ahead.

No one believes that achieving a successful conclusion will be easy, but the document produced yesterday has the approval of both London and Dublin, while both the Ulster Unionists and SDLP signalled their sense that they can live with it. One crucial, and as yet unanswered, question is whether Sinn Fein and the republican community generally will be prepared to leave their aspiration for Irish unity to one side for the moment, and help build a more complex compromise arrangement.

If all the elements sketched out in the document do provide the shape of an eventual agreement then new arrangements will look something like this:

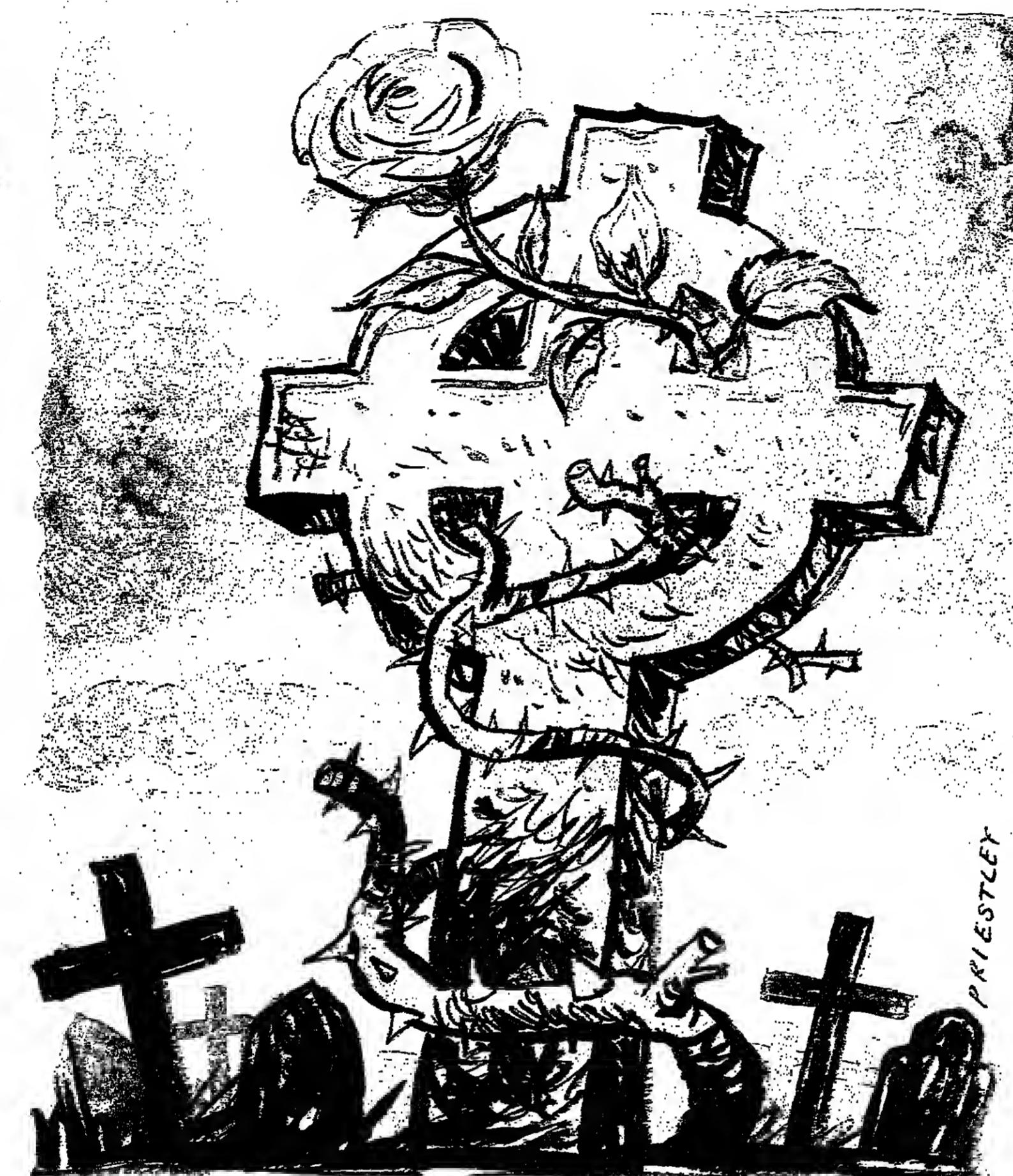
• A new Belfast assembly with considerable devolved powers, together with safeguards to ensure that both Unionists and nationalists have a share of power.

• An intergovernmental council will bring together representatives of London, Dublin, Belfast, Scotland and Wales.

• A north-south ministerial council will link the two parts of Ireland. It will be a decision-making body served by new bodies and mechanisms.

• A Bill of Rights and other measures to protect civil and political rights and promote equality.

• Measures to deal with the



questions of prisoners, security, policing and arms decommissioning.

For Unionists such an outline holds out the prospect of ending the 1985 Anglo-Irish Agreement, which they detest, and of making important changes to the Irish constitution, to which they also object. They have also been against the idea of a powerful north-south institution, but will draw comfort from the fact that Scotland and Wales will be incorporated into the new arrangements.

Their inclusion should help provide reassurance that the union with Britain is not being surrendered.

Nationalists will welcome the north-south institution and the decidedly Anglo-Irish char-

acter of an arrangement which would see Dublin heavily involved in most aspects of the new structures. Their concern about alterations to the Irish constitution will be alleviated by the proposition that this would be balanced by changes to the Government of Ireland Act which established the state of Northern Ireland in 1920.

In one sense, these ideas provide a plausible outline of how – with give and take and hopefully a sense of goodwill – a historic new arrangement might work. But the devil is in the detail and there are literally thousands of difficult details to be worked out.

It is also clear that as the May deadline for the talks approaches, the various splinter

groups – both loyalist and republican – can be expected to try to step up violence in an effort to derail the whole process.

Furthermore, there are suspicions that the Ulster Defence Association, whose political representatives are in the talks, may believe it can continue to carry out killings without incurring the political penalty of expulsion from Stormont.

The two governments hope their ideas, which are entitled "propositions on heads of agreement" will mark a turning-point in a talks process which has so far produced a quagmire of procedural wrangling and a surfeit of generalities. London and Dublin now want to concentrate minds and get down to specifics.

1. New assembly for Northern Ireland
2. East-west: The Council of the Isles, linking regional assemblies in Belfast, Dublin, Cardiff, Edinburgh and London.
3. North-south: new cross-border body



Japanese apology to PoWs is just a repeat

The Japanese Prime Minister yesterday offered an apology for the treatment of British prisoners during the Second World War, a move hailed by Tony Blair as "a very significant step forward". But despite all the rhetoric, the apology contained nothing new. Richard Lloyd Parry reports from Tokyo.

In his first summit meeting with Tony Blair, Ryutaro Hashimoto, the Japanese Prime Minister made "an expression of deep remorse and heartfelt apology to people who suffered in the Second World War". The statement, claimed Mr Blair's spokesman, was Tokyo's first "official" apology for the country's wartime misdeeds.

But Japanese officials denied it contained anything new, provoking the anger of PoW groups. In 1995, the then prime minister, Tomiichi Murayama, spoke in a written statement of

Japan's "mistaken national policy" and expressed "feelings of deep remorse and ... heartfelt apology".

"What the Prime Minister mentioned today was basically no different from PM Murayama in 1995," said Mutsuyoshi Nishimura, of the Japanese foreign ministry.

Downing Street is sensitive about yesterday's PoW "apology" and with good reason. At first glance, it looks like a diplomatic triumph for Mr Blair. But close up, it delivers much less than it promises – a confection

of ambiguous language, old or vague ideas and vigorous spin doctoring.

There were new "reconciliation initiatives" aimed at bringing together Japanese and Britons in an attempt to overcome the past; an increased number of "cultural exchanges" for former PoWs and their families to visit Japan; and a joint project to study the history of relations between the two countries. But they will only attract those who are already reconciled to the past. As Arthur Titherington, chairman of the Japanese Labour Camp Sur-

vivors' Association said yesterday: "We want proper compensation, not joy trips for 80-year-old men to Japan."

There will be a series of joint "pilgrimages" to be made by Japanese and British veterans to former battle sights in Southeast Asia, and a programme of scholarships for the grandchildren of former PoWs to study in Japan. The projected budget for these is 125m yen (£100,000), an increase of a quarter on two years ago. "As a sign of... remorse, they have agreed substantially to increase the payments into the recon-

ciliation programme," said Mr Blair. But this budget is not a fixed commitment. According to a Japanese diplomat yesterday: "It might be more or less depending on what projects we feel are worthwhile."

Mr Blair did not press Mr Hashimoto on the question of the £14,000 compensation which PoW groups are demanding for each of their members. Legally, all claims for compensation were shelved in the 1952 Treaty of San Francisco. "We know what answer we would get if we mention it," Mr Blair's spokesman said.

FLIGHT OFFER



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THE EYE, PAGE 4

INDEPENDENT AND INDEPENDENT ON SUNDAY TOKEN COLLECT

TODAY'S NEWS

Drink-drive killer free

A Cambridge University student who admitted killing two friends in a car smash after drinking and driving, walked free from court after a moving appeal from the father of one of his victims. Judge Charles Harris passed an 18-month suspended prison sentence at Oxford Crown Court on John Ware, 21, after businessman David Sage told the court he and his wife did not want retribution. Page 4

Split among the sisters

Middle-class working mothers are forging ahead with their careers, while their unskilled sisters are staying firmly at the bottom of the heap, according to a new government-funded study. It finds that lone mothers have the worst time of all, and that the gulf is growing. Page 3

Fade-out for City name

Morgan Grenfell, one of the oldest names in the City, could disappear as part of a radical overhaul of Deutsche Morgan Grenfell, the investment bank, by Deutsche Bank, its German owner. Page 19

DEUTSCHE MORGAN GRENFELL The Eye, page 12
DEUTSCHE MORGAN GRENFELL page 23

The Eye, page 9
DEUTSCHE MORGAN GRENFELL The Eye, page 10

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COLUMN ONE

Rumpole sentenced to an early retirement

In a twist that defies knee-jerk use of the term "political correctness", Radio 4 has turned down a new series of *Rumpole of the Bailey* because it didn't like the feminist portrayed - rather than the sexist old barrister at the centre of the stories.

Rumpole, who is the creation of Labour-supporting John Mortimer, is most obviously sexist when it comes to his wife - whom he refers to as "she who must be obeyed", but most of his beliefs are exactly those you would expect from a barrister of his generation.

The BBC didn't object to this, but instead thought that a female colleague with strident feminist views was a touch old-fashioned and out of date.

Yet a dose of strident feminism is clearly what the legal profession could be doing with: a conference organised by the Bar and the Law Society two years ago discovered that Mr Rumpole's attitudes are anything but atypical.

Despite the fact that the percentage of female barristers has increased from 10 to 40 per cent in the last 20 years there are still precious few of them at the senior levels of the profession.

Much of this is down to the fact that women barristers get pushed into what are called "girlie crimes" like sexual offences and family law by the

chambers' clerks who allocate cases to barristers and operate a painfully literal old boy network. If they try to take on their chambers' clerk, women then find they don't get any work at all.

Margaret McCabe, the senior barrister who organised the conference, said that when she tried to change chambers she was asked whether she intended to give up practising when she got married: informed that women with children should not

work and told that women members of chambers tended to be troublemakers.

All of which leaves the BBC in something of a quandary. A Radio 4 spokeswoman said: "The BBC feels that the feminist politics of the last Rumpole offering were dated and old-fashioned."

But the unpalatable fact is that the fictitious Rumpole's views are probably right on the money. So while the BBC is being accused of political correctness gone mad by the right-wing press, it could be accused of covering up the nasty underside of life for women in the legal profession.

Still, the BBC is used to quandaries. If it had commissioned such a joyfully middle-brow character as Rumpole someone would probably have accused it of "dumbing down".

— Paul McCann, Media Correspondent

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NEWSPAPERS SUPPORT RECYCLING

Recycled paper made up 41.4% of the raw material for UK newspapers in the first half of 1997.

PEOPLE



William Straw and Dawn Alford: Neither to face further police action over drug deal in pub



Leo McKern as Rumpole: Sexism typical of his profession, say women barristers

William Straw cautioned for selling cannabis

William Straw, the son of the Home Secretary, was yesterday cautioned by police for selling cannabis to an undercover journalist. Police also confirmed that Dawn Alford, the *Mirror* reporter arrested after buying the drug from the teenager, would not face any further action.

Last night Jack Straw issued a statement saying that his 17-year-old son was learning the lessons of the episode. He added: "I am grateful for the restraint shown towards him by most of the media. I hope that they will continue to agree that he should not suffer additionally simply because he is my son."

The teenager was arrested by police after he voluntarily attended a south London police station with his father shortly before Christmas. Their action preceded a report in *The Mirror* that William had sold 1.92 grams of cannabis to Ms Alford at a south London pub.

Mirror editor Mr Morgan said last night he was delighted his reporter would face no further action.

— Andrew Buncome

Verve head for record at Brits

The Verve are on course to win a record number of Brit awards. The band won nominations in five categories for the music industry's most prestigious awards ceremony, announced yesterday.

In three of these categories, Radiohead, who also enjoyed massive success last year, have been nominated, and insiders are predicting that the two bands will dominate the awards, elbowing aside Oasis, who also receive a clutch of nominations.

The Verve and Radiohead are nominated for best British group. They are also both nominated for best British single (Radiohead for "Paranoid Android" and The Verve for "Bittersweet Symphony"). The same two bands appear in the best British album category (Radiohead for *OK Computer* and The Verve for *Urban Hymns*). And



The Verve: Five nominations

The Verve are nominated too for the best video and best producer.

The Wigan band left behind the Prodigy with three nominations plus best producer. Radiohead with three, and Oasis with three.

The Spice Girls, who won two awards last year, gained just one nomination this time, and not for their music, but for their video "Spice Up Your Life".

— David Lister

Hague's key to happy marriage

Newly-weds William and Fionn Hague may have enjoyed a laid-back honeymoon in an Indian love palace but back in England, their subsequent plans for a happy marriage are strictly organised.

Speaking on *Talk Radio*, the Tory leader said: "We are going to have a real marriage. Not just one that passes as ships in the night."

"We have set ourselves an agenda to spend time together. We will spend every Sunday together, one weekend in four together and have two holidays a year."

His intention to spend a further one evening a week with his bride brings their total quality time together to 111 days a year.

This may not seem like much, but many MPs will attest to how difficult it is to snatch even a few hours with their partners.

— Kate Watson-Smyth

UPDATE

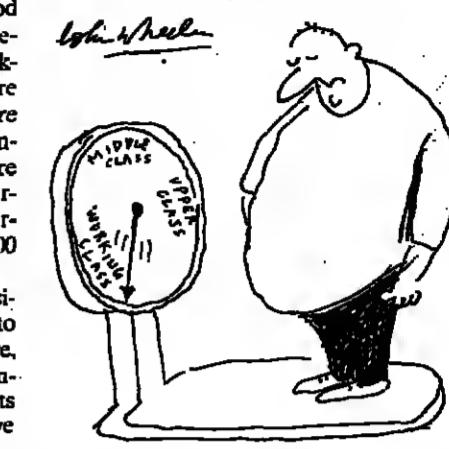
HEALTH

Obesity linked to poverty

Working class people are more likely to be obese and suffer from high blood pressure than their more affluent neighbours, a government study has found. The poorest people - who live in deprived urban areas mainly in the north - suffer from illness the most.

While the average blood pressure of adults fell between 1991 and 1996, working-class women are more prone to high blood pressure than their wealthier counterparts. Poorer people are also more likely to be overweight, according to the survey of 16,000 adults and 4,000 children.

The survey, which classifies the nation according to social class and where we live, will be used by the Government to help draw up its forthcoming *Consultative Green Paper* on health.



Ministers want to set up "health action zones" and "healthy living centres" in the more deprived areas of the country to develop policies to enable people to live longer and healthier lives. The study, the sixth annual Health Survey for England, found that between 1991 and 1996, the number of obese men rose from 13 per cent to 16 per cent and women from 15 per cent to 17 per cent.

— Glenda Cooper, Social Affairs Correspondent

INDUSTRY

Pay in large firms beats inflation

Earnings for employees in large and medium-sized companies are "racing ahead" of inflation, according to research by a firm of pay consultants. Total wage cheques are increasing by 5 per cent a year, while the inflation rate is just 3.7 per cent.

In a survey of 500 employers, Watson Wyatt, human resource and benefits specialists, confirm that percentage rises are increasingly generous the further you go up the ladder. Senior managers have seen their total earnings rise by around 6.6 per cent.

The much sought-after information technology experts are receiving bonuses of up to 30 per cent a year to persuade them to stay with companies and sort out the so-called "millennium bug".

— Boris Clement, Labour Editor

EDUCATION

How to avoid doing homework

Everybody has their own way of putting off unpleasant tasks, but new research shows that students are past masters when it comes to avoiding exam revision.

The survey, carried out by the publishers Hodder & Stoughton and WH Smith, found that although television is still the biggest distraction, some 12 per cent of children in the south will offer to clean the house rather than sit down behind a desk. Once the housework is done they are twice as likely to spend time on the phone to their friends.

— Kate Watson-Smyth

TOURIST RATES

Australia (dollars)	2.44	Italy (lira)	2,821
Austria (schillings)	20.06	Japan (yen)	20,841
Belgium (francs)	58.96	Malta (lira)	0.62
Canada (\$)	2.24	Netherlands (guilder)	3.21
Cyprus (pounds)	0.83	Norway (kroner)	11.81
Denmark (kroner)	10.94	Portugal (escudos)	289.47
France (francs)	9.54	Spain (pesetas)	240.87
Germany (marks)	2.86	Sweden (kroner)	12.65
Greece (drachmai)	455.28	Switzerland (francs)	330,588
Hong Kong (\$)	12.09	Turkey (lira)	1.57
Ireland (pounds)	1.14	USA (\$)	1.57

Source: Thomas Cook

Rates for indication purposes only

Did the A-bomb

John Cairncross, the Cambridge spy in the Cambridge spy ring, gave Britain's atomic secrets to the Russians. It was claimed yesterday that the KGB played a key role in making the revelation public.

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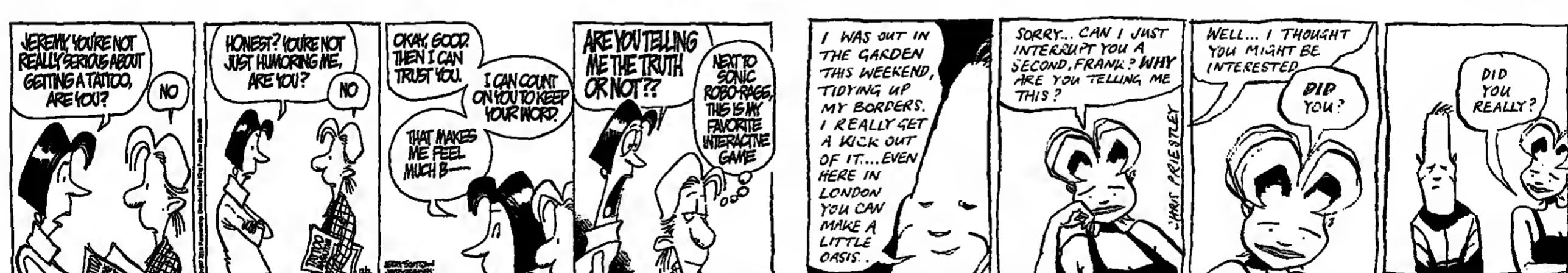
We
You

ZITS

by Jerry Scott & Jim Borgman

7.30 FOR 8

by Chris Priestley



IN WEDNESDAY'S INDEPENDENT

Rik Mayall: Stand-up who made it from Bottom to top film star
THE EYE



Photo 98: the century in pictures
THE EYE

Sensation: Damien Hirst and the celebrity café
THE EYE



From works canteen to haute cuisine
CITY+

Books aren't dead. But 32-volume encyclopaedias are



Information age: Beckford School, north London, has books and CDs...

An era comes to an end as cheap CDs force Britannica to lay off its direct sales force

Encyclopaedia Britannica is laying off its 70 door-to-door sales staff because customers have lost their appetite for the 32 volumes. The CD-Rom equivalent is cheaper, faster and longer. *Close Game* reports on the death of an institution.

It was not only mistrust of doorstep sellers which led to their downfall. The direct sales team did their best to handle the public's prejudices about pushy predecessors but they could not talk their way round the advent of the CD-Rom and the Internet.

Parents who in the past would have saved up for a complete set of leather-bound volumes of the *Encyclopaedia Britannica*, the "classic brown" bought by libraries, costs £845. The most popular is the "heirloom" version at £945, but for £3,000 one's initials are gilded in gold across each volume.

But in these multimedia times the direct sales staff are finding it hard to persuade customers of the relative merits of these versions.

The same 44 million words are available on the CD-Rom for £125. For £7.99 a month, Internet users can subscribe to the

Britannica Online version which, unlike the books, is constantly updated. And there are countless alternatives including Microsoft's *Encarta* encyclopaedia, which costs just £49.

Consequently, this year marks a radical departure in sales techniques for Encyclopaedia Britannica.

From April door-to-door staff will be history and in their place will come a major advertising and marketing drive for

the *Britannica* CD-Rom. Sales will be mainly through normal retail outlets.

Tim Petrick, vice-president and general manager for English language products of the US-based company, admitted that while the salesmen's tricks have "largely changed", the public did not respond well to a knock at their door.

"Unfortunately when people think of encyclopaedias they think of pushy door-to-door sales people," he said.

"That's one of the contributory factors to the decision to get out of direct selling. It has been a painful decision."

Mr Petrick added that there had been fundamental changes in consumer buying patterns. "In-home selling served us very well for many years, but today our customers want to buy in other ways."

"The revenues generated from in-homes sales efforts no longer justify the costs ... We will be selling through direct-response advertising. People will just send a cheque or give their credit card number. No salesman will call."

But it is the advent of mass ownership of personal computers which has had the biggest impact on Encyclopaedia Britannica, founded in Scotland in 1768. For the young generation, the route to knowledge is on-screen and their parents' biggest educational purchase will probably be a PC.

Encyclopaedia Britannica expects to sell 80,000 *Britannica* CD-Roms in the UK this year, compared with just 4,000 printed sets. Worldwide sales of the bound volumes are anticipated to be 25,000, that is, 85 per cent down since the early 1990s.



... but pupils like Amy Williams, 9, prefer the CD

Photograph: John Voos

Did the fifth man hand the A-bomb secret to Russia?

John Cairncross, the fifth man in the Cambridge spy ring, gave Britain's atomic secrets to the Russians, it was claimed yesterday. Ian Burrell notes that the KGB played an active role in making the revelation public.

In his autobiography, published last year, two years after his death, Cairncross admitted spying for the Russians but said he had only helped them in their fight against Hitler.

But KGB files, made available to Rupert Allason, the former Tory MP who is also known as the author Nigel West, demolished his claims. They show that he handed over British atomic secrets betrayed the identities of British agents, and as well paid by the Russians for his spying.

The files contain a memo-

randum by Pavel Fitin, the KGB's head of intelligence, on Enormoz, the Soviet programme for obtaining Allied atomic secrets.

"The first material on Enormoz was received at the end of 1941 from John Cairncross," it notes. "This material contained valuable and highly secret documentation, both on the essence of the Enormoz problem and on the measures taken by the British government to organise and develop the work on atomic energy."

"This material formed the point of departure for building the basis of, and organising the work on, the problem of atomic energy in our country."

The revelation yesterday prompted Ted Taylor, Tory MP, to table a parliamentary question for Jack Straw, the Home Secretary, asking for the "full facts". He said: "This is an issue of the utmost urgency and it raises the most alarming suspicions about what went on

in our intelligence services at this critical period in our history."

Allason has co-authored his book, *The Crown Jewels*, with Oleg Tsarev, a former KGB officer who works as a consultant to the KGB's successor, the SVR. "I have had to rely on him for the Russian documents," Allason said yesterday.

But, he added, there was no secret Russian agenda. "They are proving that they're a democracy—that they've got declassification, and they are more open than we are."

Other historians were more sceptical. Donald Cameron Watt, an emeritus professor of international history at the London School of Economics, said: "This is an indication, not so much of what happened, as what the KGB wants us to believe happened."

Cairncross was born in 1913 near Glasgow; his father was an ironmonger. He won a scholarship to Trinity College, Cam-

bridge, where he met Anthony Blunt, another member of the Cambridge ring.

The files show that Blunt introduced him to fellow Moscow sympathiser Guy Burgess, who made an assessment of the young Scot for the KGB. Cairncross was later recruited by Andre Deutsch, or Otto, the

KGB officer running the Cambridge ring.

Cairncross, or agent "Lizi", supplied his most valuable information when he was secretary to Lord Hankey, the minister without portfolio in the Churchill government, who had special responsibility for the intelligence services and for atomic research.

Working-class women stay at bottom of the heap

Middle class working mothers are forging ahead with their careers, while their unskilled sisters are staying firmly at the bottom of the heap. *Bonnie Clement, Labour Editor, finds that lone mothers – the target of benefit cuts – have the worst time of all.*

There is a "growing gulf" between working mothers with top jobs and those lower down the scale who struggle to balance work and children.

Britain's highly educated and high wage mothers are far more likely to remain in employment during their child-rearing years with employers increasingly prepared to help them to do so.

Companies want to keep their high-flyers, those that contribute most to the business

and those who are the most costly to train and replace.

"Employers seem more inclined to introduce family-friendly policies for their higher status female employees such as managers," says Professor Heather Joshi, of the City University, London.

Such women have more family-friendly working arrangements, better fringe benefits and are more highly-motivated to stay in employment.

Clearly these mothers are also able to balance their babies and briefcases because they can afford a high standard of childcare, says the professor.

Any idea that employers might increasingly apply family-friendly benefits to other employees seems to have founders on the recession.

The less well-paid and poorly-qualified working class mothers have considerably greater difficulty in maintaining "career momentum" after the birth of their first child. Low wages

and the cost of childcare is a major reason and the fact that employers are less likely to help them stay in employment.

Around two thirds of women are still not benefiting from equal opportunities and in many cases are failing to reach their potential, according

Professor Joshi's report. "A Widening Gulf among Britain's Mothers".

The study, which is featured in the Economic and Social Research Council's new publication *Business Connect: a brief guide to ESRC business research*, also shows that women in full-time work find it much easier to keep their jobs after giving birth than part-timers.

Professor Joshi believes the Government's policy of cutting benefits to lone parents is misguided. She argued that while state help should be restructured, it should offer incentives and help for people to get back to work, rather force them into employment.

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to poverty

Long-distance deal saves Ulster talks

Tony Blair made seven calls from Japan to the Irish Prime Minister to secure a deal over Ulster peace proposals. Colin Brown, Chief Political Correspondent, says the telephone diplomacy has worked for now.

Tony Blair's hands on approach in calling Bertie Ahern repeatedly from Japan underlined the crisis in which the talks were placed early yesterday.

Downing Street refused to elaborate on the nature of their talks. However, the number of calls to Dublin in the early hours yesterday was seen as clear evidence that Mr Blair was engaged in crucial, last minute negotiations to win Irish approval for the blueprint for peace to be put to the parties in the Northern Ireland talks.

The two governments had been divided over the Unionists' demands for a power-sharing assembly in the North, which Sinn Fein feared would lead to an internal settlement. Sinn Fein had objected to the word "assembly" in the document.

Bargaining over the fine print went on until the small hours in Japan, where Mr Blair is on a European Union visit. A group of businessmen said the Prime Minister told them he had been up until 3am making calls. A joint statement hinted at the ground that had divided the

two governments: on the need for clarification over a commitment by Dublin to scrap its constitutional claim to the North; and the operation of the agreement with the existing meetings between Irish and British ministers. These issues were not spelled out in the document.

They said that other matters not directly referred to in the document would be dealt with "where it makes sense – for example, issues where harmonising or cross-border action is appropriate will be dealt with on that basis". Mr Blair also negotiated with David Trimble, the Ulster Unionist leader, and had regular talks with Mo Mowlam, the Secretary of State for Northern Ireland.

There were strong rumours at Westminster that John Hume had disagreed with Seamus Mallon, his colleague in the moderate nationalist SDLP, in the preparation of the draft document. Mr Mallon, it was said, had privately given his assent to an earlier draft, but it had to be renegotiated when Mr Hume objected.

The SDLP leader shared the objections of Sinn Fein president Gerry Adams with the early draft.

Mr Blair had to navigate a path through the minefield of anxieties of both Sinn Fein and the Ulster Unionists in allowing cross-border bodies which will give Dublin a say in services in the North, with the power-sharing assembly in Belfast.

Words that aim to shape a peace

This is the text of 'Propositions on heads of agreement'.

Balanced constitutional change, based on commitment to the principle of consent in all its aspects by both British and Irish Governments, to include both changes to the Irish Constitution and to British constitutional legislation.

Democratically elected institutions in Northern Ireland, to include a Northern Ireland Assembly, elected by a system of proportional representation, exercising devolved executive and legislative responsibility over at least the responsibilities of the six Northern Ireland Departments, and with provisions to ensure that all sections of the community can participate and work together successfully in the operation of these institutions and that all sections of the community are protected.

A new British-Irish Agreement to replace the existing Anglo-Irish Agreement and help establish close co-operation and enhance relationships, embracing:

An Intergovernmental Council to deal with the totality of relationships, to include representatives of the British and Irish Governments, the Northern Ireland Administration and the devolved institutions in Scotland and Wales, with meetings twice a year at Summit level.

A North/South Ministerial Council to bring together those with executive responsibilities in Northern Ireland and the Irish Government in particular areas. Each side will consult, co-operate and take decisions on matters of mutual interest within the mandate of, and accountable to, the Northern Ireland Assembly and the Oireachtas respectively. All decisions will be by agreements between the two sides. North and South.

Suitable implementation bodies and mechanisms for policies agreed by the North/South Council in meaningful areas, and at an all-island level.

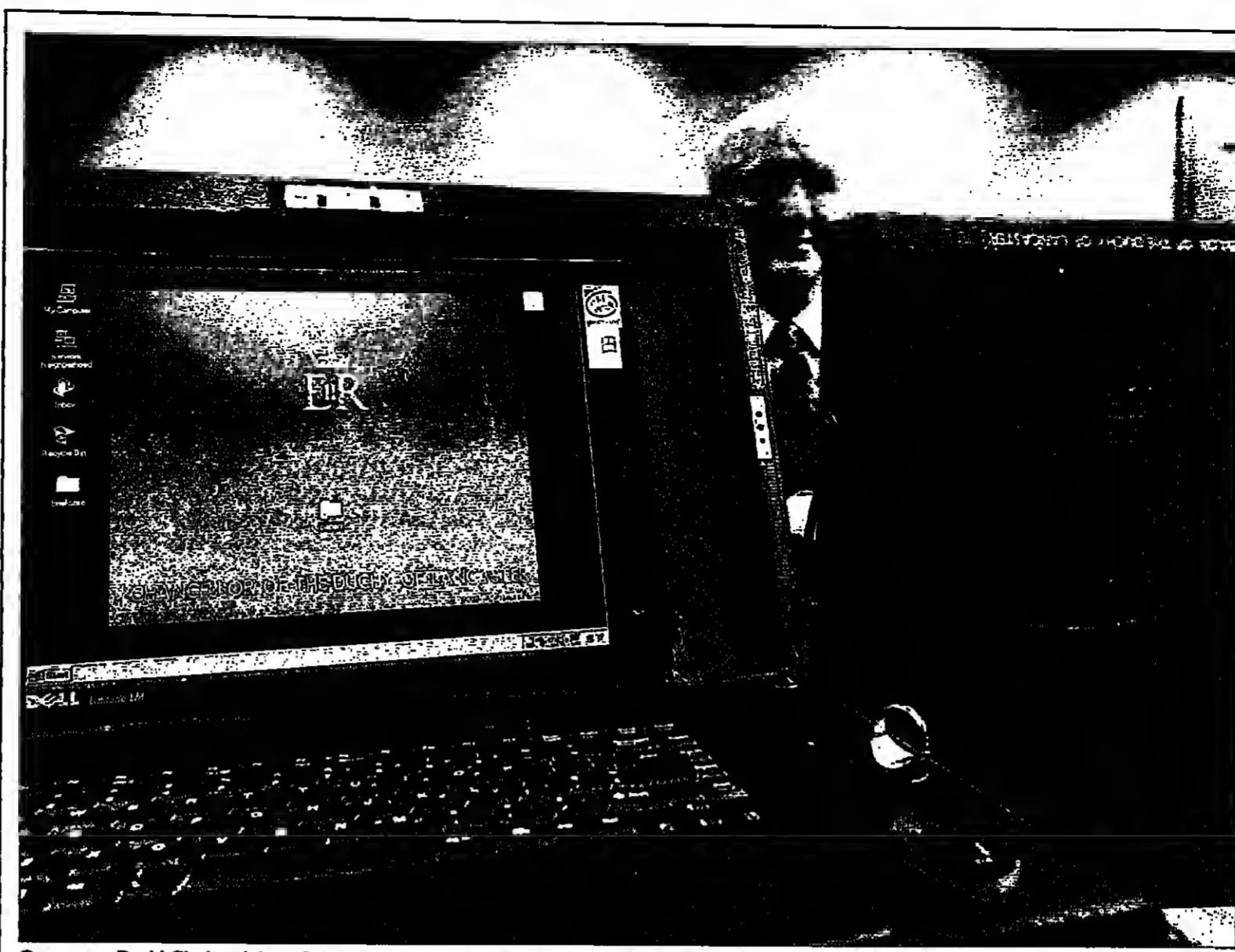
Standing intergovernmental machinery between the Irish and British Governments, covering issues of mutual interest, including non-devolved issues for Northern Ireland, when representatives of the Northern Ireland Administration would be involved.

Provision to safeguard the rights of both communities in Northern Ireland, through arrangements for the comprehensive protection of fundamental human, civil, political, social, economic and cultural rights, including a Bill of Rights for Northern Ireland supplementing the provisions of the European Convention and to achieve full respect for the principles of equity of treatment and freedom from discrimination, and the cultural identity and ethos of both communities.

Appropriate steps to ensure an equivalent level of protection in the Republic.

Effective and practical measures to establish and consolidate an acceptable peaceful society, dealing with issues such as prisoners, security in all its aspects, policing and decommissioning of weapons.

In a parliamentary answer re-



Open case: David Clark, minister for government IT strategy, with the hi-tech red boxes, complete with fingerprint ID. Photograph: Andrew Buurma

The secret of the ministers' new red box

The days of the government Red Box piled with ministerial homework are about to end – replaced by a hi-tech, talking, listening laptop computer which identifies its owners by their fingerprints.

The intention is to replace the many boxes of paperwork that ministers have to carry back and forth.

The old ones, in use since the days of Gladstone, can carry the equivalent of two telephone directories of paper memoranda and drafts, and ministers can have six or more to carry around. The new computer versions weigh less than

one full box, but can carry many times the contents of the old boxes electronically on their hard disk.

The new system took only a few months to devise, and was produced at the instigation of John Battle, the science and energy minister whose back makes it painful to carry full red boxes.

David Clark, Chancellor of the Duchy of Lancaster and minister for Government Information Technology Strategy, unveiled the prototype "new box" yesterday, amidst assurances that it contains security that would defeat even

the most determined hacker who might want to know the number of spoons in the Ministry of Defence canteen.

The machine is cleared to carry top-secret information. It will not work until a chip-carrying signet ring, which generates an encryption "key", is connected – and then a fingerprint ("from a warm finger"), according to a Cabinet Office spokesman) must be tendered for access: dismantling the machine would simply reveal a machine whose hard disk was scrambled beyond decryption.

The box, which consists of a Dell laptop computer, then speaks to the user with the voice of a "female middle-ranking Southern Counties civil servant" (whose identity is being kept secret).

The "contents" of the box are then spread out over a standard "desktop" on screen – defeating a technique used by civil servants of slipping things past ministers by putting them at the end of a deep box of otherwise boring material.

It also contains software which can translate speech into typed text, with "sticky" notes to be attached to documents. When the minister has finished with it, the revised contents can be loaded back onto the government network. That can even be done over telephone lines, because the electronic scrambling cannot be broken by existing computers. Any papers which need signing can be printed out on paper.

Each box will cost about £2,400, including the software, while each minister should only need one or two. At present there can be up to a dozen red boxes floating around a minister's office.

— Charles Arthur
Science Editor

Pensions threat denied

Government and Labour spokesmen yesterday denied any suggestion that welfare reform plans posed a threat to the middle classes' state pension.

They said Harriet Harman, Secretary of State for Social Security, had spoken of a possible "affluence test" in the context of disability benefits and statutory maternity pay, and not pensions.

One spokesman said that Tony Blair had spoken of the problem of helping the poorest pensioners – but that did not mean that the better-off were being targeted for pension cuts.

The Prime Minister said in a weekend interview: "You've got a million pensioners at the moment that aren't even claiming the income support to which they're entitled, and living sometimes in very considerable poverty indeed."

But it was said yesterday that one of the problems was that income support was a means-tested benefit, that testing was proving a deterrent, and ministers were trying to find ways of getting around that difficulty to ensure that the money went to those in need.

However, Sally Wether, director of the Child Poverty Action Group, warned that extending means-testing to universal benefits would make it less likely that the benefit would reach those who needed it. "We hear a lot about cuts, but little about increases to benefit levels, suggesting that the aim is not to redistribute but to reduce expenditure. If redistribution is the intention, then why only within the social security budget, when a much wider redistribution of income and wealth is clearly called for?"

She said the Government could cut social security spending by tackling unemployment, low pay, lack of childcare and rent controls, which were largely the reasons for increased spending. Ministers say that is precisely what they are doing.

— Anthony Bevins

Davies turns down Wales vote inquiry

The Secretary of State for Wales dismissed calls for an inquiry into the counting of votes on the devolution referendum last night despite admitting that last-minute advice was not applied in some areas.

Ron Davies said in a letter to Gareth Thomas, Labour MP for Clywd West, that the discrepancy could not have altered the "clear majority" in favour of a Welsh assembly.

Although new guidance was telephoned to counting officers after the polls closed on 18 December, two of the 22 areas did not follow it. The chief counting officer, Professor Eric Sunderland, had decided to make it clear that people who wrote "no" next to the "I do not agree" box instead of putting a cross should be registered as disagreeing with the proposal. This did not happen in either Pembrokeshire or Powys.

The statement did not satisfy the Conservatives, who laid 40 questions in Parliament last night on the handling of the vote. Nigel Evans, a Tory spokesman on constitutional affairs, said his party would continue to press for an inquiry.

Mr Davies is prepared for a question-mark always to remain over the referendum in Wales just simply to ensure that he keeps his job. This is a very sad day and a black day for the people of Wales, he said.

— Fran Abrams

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Mistress may join Cook's tour

Downing Street officials said last night that Robin Cook would not be taking his partner Gaynor Regan on a "world tour". Colin Brown, Chief Political Correspondent, says she may go to China with the Foreign Secretary.

As diplomatic questions go, whether the Foreign Secretary should take his mistress with him on a diplomatic tour ranks as one of the trickier examples.

With the prospect of meeting the Clintons in Washington, there would have been the tricky business over the canapés of whether to mention the president's own alleged extra-marital affairs.

Downing Street tried to damp down media interest in "Cook's Tour" with his mistress by scotching suggestions that the Foreign Secretary would be taking his live-in lover, Gaynor Regan, with him when he went to the White House on Thursday and Ottawa on Friday.

However, they could not rule out the possibility that Ms Regan, who is now sharing the Foreign Secretary's official residence, Carlton House Terrace, would accompany Robin Cook on next week's tour of China and Hong Kong.

Officials scratched their heads and said they could not find a precedent. There were occasions, said a Downing Street source, when a partner should accompany a minister abroad, particularly if there were special events to host.

Mr Cook announced on Sunday that he

planned to marry Mrs Regan after he had divorced his wife, Margaret.

The Downing Street spokesman said that when Mrs Regan travelled with Mr Cook, it was as the partner of the Foreign Secretary, who is estranged from his wife.

"Robin Cook has made clear that he is estranged from his wife and regards Mrs Regan as his partner. It is not unusual for the spouse or partner of a minister to go on official visits of that sort, particularly if there are cultural aspects or the host would also be accompanied."

A Foreign Office spokesman said Mrs Regan would not travel as Mr Cook's secretary but as his partner. "Her activities are synonymous with being a spouse." Her official trips would be funded from Government sources, as with other partners and spouses.

6/IN THE COURTS

Judges dismiss Guerin murder suspect's fight against extradition to Ireland

A man wanted by the Irish police in connection with the murder of award-winning investigative journalist Veronica Guerin yesterday lost his High Court battle against being sent back to Ireland to face trial.

Two judges in London dismissed an application for a writ of habeas corpus made in an attempt to free John Gilligan from custody. His lawyers are now considering whether to appeal to the House of Lords against the decision.

A total of 18 extradition warrants were granted by the Special Criminal Court in Dublin seeking Mr Gilligan's return to face a murder charge arising out of the shooting of Ms Guerin in June 1996, as well as firearms and drug trafficking offences. Today Lord Justice May, sitting with Mr Justice Astill, rejected claims by his lawyers that there had been unfairness and an abuse of process in legal proceedings which led to the order for him to be delivered up.

The judges upheld an order made at Woolwich magistrates' court in south London last October that Gilligan should be sent back to Ireland to face the murder charge, although two of the warrants were quashed.

Lawyers for Mr Gilligan unsuccessfully argued that the order was flawed because there was insufficient material before the stipendiary magistrate enabling him to conclude that the offences specified in the Irish

warrants corresponded with English offences, as required by law.

Mr Gilligan, 45, of Dublin, had been facing prosecution in England for drugs-related offences. But the English trial was adjourned after the courts accepted that moves to return Gilligan to Ireland should take precedence.

Yesterday, the High Court ruled that the decision was "fully justified" and not open to judicial review. The judgment also

found that there had been "good and sufficient cause" for extending the time limits for his custody.

Mr Gilligan described himself as "the prime suspect" shortly after Ms Guerin's death, but strenuously denied being involved in the murder.

He was arrested in October 1996 at Heathrow airport on charges of drug trafficking and money laundering, and is now being held at the high security Belmarsh

prison in Woolwich. He was alleged to have been attempting to board a flight to Amsterdam with a case containing £330,000 cash, mostly in Irish and Northern Irish currency.

Ms Guerin, 37, an award-winning journalist and mother of a young son, was shot dead at the wheel of her car in Dublin by two hitmen on a motorcycle in June 1996 prompting one of the biggest investigations undertaken by the Irish police.

Drink-driver who killed is saved by victim's father

A Cambridge student who killed two of his friends in a drink-drive accident avoided going to jail after an emotional appeal from the father of one of the victims. But, says Andrew Buncombe, campaigners claim the judge has made a mistake.

John Were had been drinking quite heavily at a 21st birthday party, but it was late and he and his friends wanted to get home. He did not want to drive but his friends persuaded him, and the six of them clambered into his Volkswagen Golf.

On a bend of a narrow road near Mapledurham, Oxfordshire, the car careered into a tree. The 21-year-old Cambridge undergraduate was unhurt but Jonathan Sage, 21, and Lisa Cohen, 19, were killed instantly. Simon Dixon, 21, received multiple injuries, while Jonathan Messum, 21, and Ross Elder, 21, both suffered broken arms.

Yesterday, Were, of Walton Hill, Newbury, Berkshire, appeared at Oxford Crown Court having pleaded guilty to two counts of causing death by careless driving with excess alcohol in the accident last July.

He could have received a maximum sentence of 10 years imprisonment, but David Sage, father of Jonathan, said in court that he did not want to see Were sent to jail.

"It would not help us at all. I feel no feelings of retribution to John," he said. "I know in my

heart of hearts that my son had some degree of responsibility for what happened and I would not like to see John go to prison. My wife is of absolutely the same opinion." The father of one of the injured passengers, Air Vice-Marshal Ronald Elder, was also in court to support Were.

Having heard Mr Sage's appeal, Judge Charles Harris said he thought there were exceptional circumstances and that sending Were to jail would only exacerbate his "lifelong anguish". He sentenced him to an 18-month term suspended for 12 months. "This sentence is not normal for a person who commits an offence of this kind but the circumstances are exceptional and justice does not call for an immediate prison sentence," he said.

After the hearing Were, a second-year English student who was three times over the alcohol limit, said he was relieved by the decision. "I thought I was going to go to prison."

But Maria Cape, spokeswoman for the Campaign Against Drinking and Driving, said yesterday: "I am very surprised about this. Not only must the father of the dead man be very forgiving but I think the judge is wrong. The people killed in this tragedy were passengers in the car. On other occasions it could be people walking on the road. I think the judge is sending out the wrong message. I certainly think [Were] should have gone to jail."

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to Ireland

UN launches battle to save the oceans

Office gets
for inaction
old abuse

The UN has declared 1998 the International Year of the Ocean to highlight the threats that seas face from pollution and over-exploitation, and their importance to man. Nicholas Schoon, Environment Correspondent, sees the World Wide Fund for Nature back the fight.

Forests have been called the "lungs of the world", but the oceans are just as deserving of this title. They absorb about half of the extra carbon dioxide which our accelerating consumption of gas, oil and coal are adding to the atmosphere. They play a crucial role in regulating and stabilising the climate.

They are also a ladder for mankind, albeit one that is being grievously raided. "There is overwhelming evidence that not just fish stocks but the vast bulk of the renewable resources of the ocean are being over-

exploited," said Prince Philip at a WWF press conference in London yesterday.

It took three years for the first United Nations treaty covering fish stocks shared between nations to be negotiated. Yet only 12 of the top 20 fishing nations had signed the agreement and only four had gone on to ratify it since the agreement was reached in 1995. It therefore has no legal force as yet.

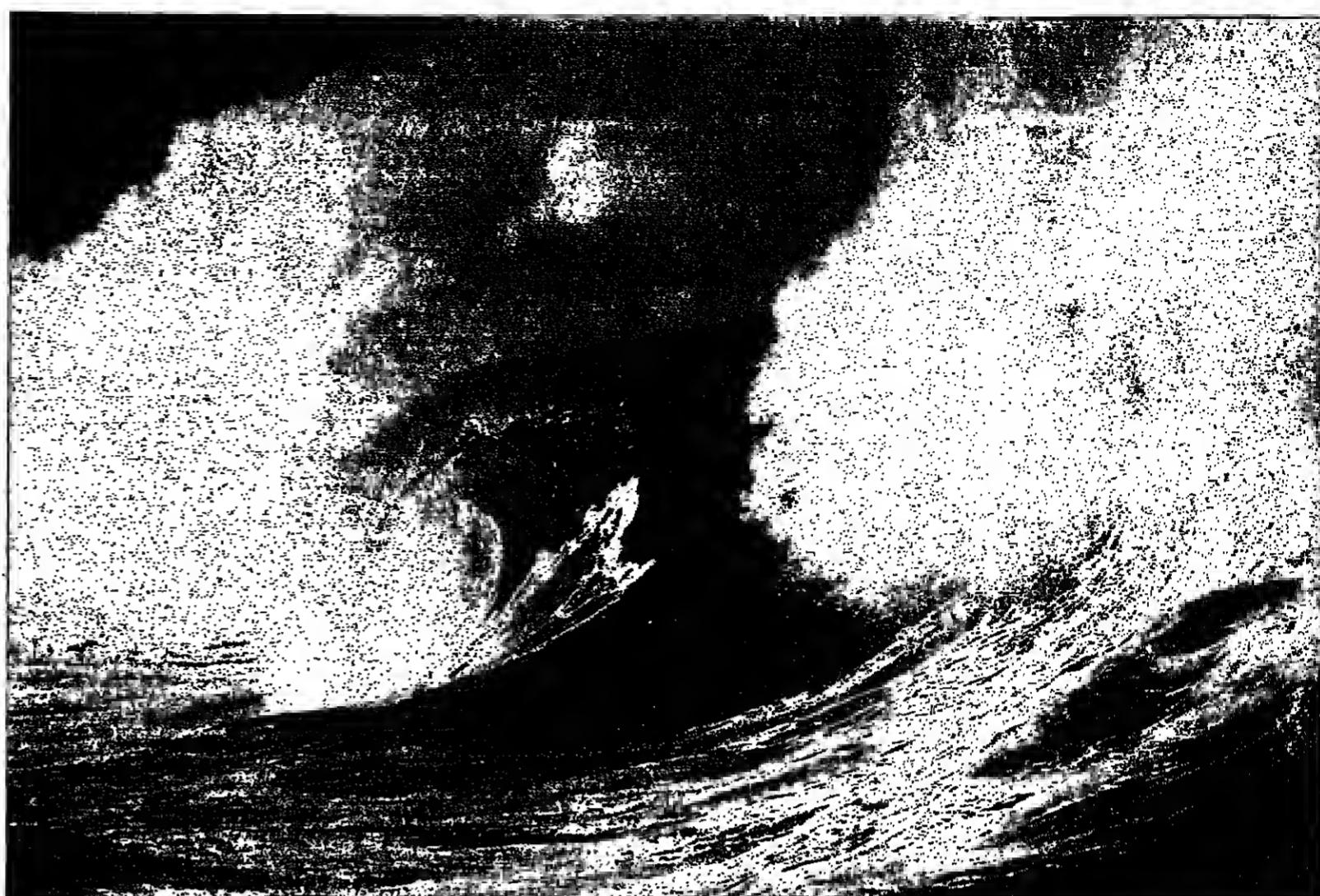
"The response has been disappointing, to put it mildly," said the Duke of Edinburgh. "If... governments do not implement the terms of the agreement as soon as possible... there will be very little for the next generation of fishermen to catch."

At the launch yesterday the WWF cited an estimate from the UN's Food and Agriculture Organisation that while some 80 million tonnes of fish were landed each year, 20 million tonnes were thrown over the side of boats, dead, because the nets bring up the wrong sort of fish – over quota, or undesired. But this "bycatch" is gradually reducing, for as the prized fish species become scarcer, markets

are opening for what was once considered "trash fish". The bycatch includes huge quantities of juvenile fish as well as sharks, dolphins and turtles. A recent study estimated that more than 40,000 albatrosses are killed annually by tuna fishermen using lines up to 80 miles long, with as many as 3,000 hooks.

The WWF, along with food multinational Unilever, has supported the formation of a Marine Stewardship Council. Its task is to award eco-labels to fish and fish products, which are caught without posing any threat to stocks. The hope is that such fish will attract a premium price, encouraging more of the industry to subscribe.

Marine biologist Sidney Holt, of the Independent World Commission on the Oceans, said: "I read many of the publications for the fishing industries... For every sentence there may be published about... conservation, there will be a page or more about the building of more, bigger and more powerful boats, the construction of bigger nets... Making profits now or soon is the name of the real game."



Clear waters: The International Year of the Ocean, started yesterday, will draw attention to the plight of the seas. Photograph: Alex Williams/Planet Earth



The geranium, much loved by Spaniards, and butterflies

South African invaders spell death for the floral symbol of Spain's sunny south

The face of Spain is being transformed as a South African butterfly eats its way through the essential feature of every Mediterranean balcony and patio. Elizabeth Nash reports on the eradication of the geranium.

So farewell then, that riotous blast of colour as essential to the image of southern Spain as sultry señoritas in polkadot flounces. The decline of the geranium, renowned for its indestructibility, is preoccupying a nation of balcony-lovers as they watch their favourite pot plants wither and die.

The geranium is being destroyed by a plague of South African butterflies and the southern Mediterranean is set to become a geranium-free zone. The culprit is *Cacyreus marshalli*, known as the Geranium Bronze, a common co-habitee with the flower in its South African habitat but a murderous predator in Europe since it was inadvertently introduced into Mallorca in 1989.

The butterfly lays its eggs on

a plant and when the grubs hatch they burrow into the stems and buds and munch the plant from within. Protected

from pesticides, they destroy a pot of blossoms within weeks.

Only the far northern Cantabrian coast remains untouched by the butterflies, which have spread to Portugal, southern France, Italy and the Netherlands.

"The butterfly was introduced by someone importing an infested cutting, because this is not a migratory species. It's now impossible to stop the plague," says the Catalan

botanical scientist Albert Masso, who has been studying the matter for six years.

In Spain 500 greenhouses produce 10 million geraniums for sale in a business worth £13m a year. The agricultural pressure group Vida Sana (Healthy Life) says commercial pressures caused the problem.

"Intensive cultivation in the greenhouse at a temperature of 30 degrees speeds up the butterfly's life-cycle from its normal 82 days to 33 days. This produces twice as many generations of butterflies in the year, even during the winter," a spokeswoman said.

Nonsense, says Dr Masso. "The problem comes when the plants are put in gardens or balconies. The majority of geraniums start off healthy and are attacked later, because the Geranium Bronze has no natural predators in Europe."

Strong insecticides applied every two weeks, keep the plague at bay, he says. But Vida Sana says pesticides tackle only the symptoms, not the cause of the problem.

Dr Masso agrees that pesticides are only a short-term solution. "We cannot combat this plague effectively. It might leave some corners untouched, but it will continue. I am pessimistic."

We must, therefore, reconsider the virtues of the petunia.

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Three women: The jury members of the 1998 Montblanc de la Culture award yesterday at Apsley House, in London, home of the Marquess of Douro, chairman of the Montblanc foundation; (from left) Thelma Holt, the theatre producer, the novelist Josephine Hart and Darcey Bussell, the principal ballerina; the arts award, in its seventh year, is to raise awareness of the need for increased arts patronage. Photograph: David Rose

Bart's doors may close as Labour follows Tory lead

An inquiry into the future of London's health care has decided that St Bartholomew's hospital should close, but has been unable to agree whether this is realistic. The conclusion is, nevertheless, likely to seal the fate of the capital's oldest hospital, says our health editor.

Bitter disagreements have blighted the London Review panel, set up last May by Frank Dobson, in one of his first acts as Secretary of State for Health, to examine the future of health care in the capital.

The five-member panel, chaired by Sir Leslie Turberville, former president of the Royal

College of Physicians, has been unable to agree whether closing St Bartholomew's hospital and transferring its departments to the Royal London is practical, and has made no recommendations about proposed changes at Guy's and St Thomas' hospital.

BY JEREMY LAURANCE

However, it has concluded that London no longer has too many hospital beds.

The review panel's report has been with ministers since November and publication was expected before Christmas. A health department spokesman said it would now appear "in the coming months".

The delay reflects the political sensitivity of the decisions facing ministers. The review was promised before the election by Chris Smith, then shadow health secretary and an Islington MP, as a means of staving off unpopular decisions.

St Bartholomew's hospital, which has stood on its Smithfield site over the border from Islington for 870 years, was earmarked for closure by Virginia Bottomley, the then Tory health secretary, and has been the subject of an emotive five-year campaign to save it.

The review panel's report says the best answer to the Bart's problem would be to transfer its remaining departments (the accident and emergency department closed three years ago) to the Royal London in Whitechapel, in line with the former Tory policy, where there are plans for redevelopment to provide 1,200 beds at a cost of £250m, funded through the private finance initiative. The plans would also involve the closure of the London Chest Hospital

and the Queen Elizabeth Hospital for Children, merging all four hospitals on a single site.

The plans are backed by the Royal Hospitals NHS Trust, encompassing the four hospitals, which says keeping Bart's open would cost an extra £26m a year, and by the consultant staff of the Trust who voted overwhelmingly in favour of the single-site solution in a ballot before Christmas.

However, a minority on the review panel argued that closure of Bart's would result in an unacceptable loss of beds that would be unlikely to be re-provided at the Royal London.

They also questioned its affordability, pointing out that the Chelsea and Westminster Hospital in west London, which opened in 1993, cost more than £200m to provide only 600 beds.

The panel's report, agreed after its final meeting on 6 November, sets out the pros and cons of closing Bart's, put forward by the two sides, leaving the final decision to ministers. It is understood that health ministers have reluctantly accepted that the Tories' closure plan should go ahead but any decision would only be taken with the agreement of the Prime Minister and the Treasury.

The review report says that London now has fewer hospital beds than the rest of the country, when account is taken of patients coming into the capital from outside for treatment.

The report makes no recommendations on the plans for Guy's and St Thomas', Britain's largest NHS trust. However, it raises questions about the proposals to close Guy's accident and emergency department in 1999 and to build a 232-bed women and children's hospital costing more than £100m on the St Thomas' site while mothballing an 11-storey tower three-quarters of a mile away on the Guy's site.

Union quits TUC in Ford race row

A 15,000-strong lorry drivers' union yesterday resigned from the TUC in a row provoked by an allegedly racist recruitment procedure at the Ford car plant in Dagenham.

The United Road Transport Union (Urtu) had faced suspension over claims that it had "poached" from the Transport and General Workers' Union some 300 truck drivers based at the Essex works. The drivers voted to join Urtu after the 890,000-strong TGWU took legal action against the system for selecting employees for the truck fleet. The T&G claimed the recruitment practices discriminated against members of ethnic minorities, but existing drivers disagreed, left the union and joined Urtu.

A spokesman for the smaller union denied "poaching" members and said the TUC's insistence that it should hand them back was unlawful. "Workers have the right to belong to the union of their choice," a spokesman said. "On the one hand the TUC was saying it expected unions to behave in accordance with the law – and on the other hand telling us to disobey the law ... We have not been treated fairly."

The lorry drivers' union said it would save £25,000 by its decision, which it would spend on services to members. It had decided to quit the TUC rather than acquiesce in the suspension which was due to last until September's annual congress.

Bill Morris, leader of the TGWU, which has pointed out that only "two or three" of the 300 drivers were from ethnic minorities, said the union was committed to equality of opportunity. He urged the rebel drivers to rejoin his union.

John Monks, TUC general secretary, said he was "saddened and disappointed" by the decision and denied his organisation was breaking the law.

— *Boris Clement Labour Editor*

DAILY POEM

From the Other Side

By John Hartley Williams

*The man explained to his astonished listeners
He'd been dead a while. Then a tag
On his mortuary toe had twitched
They warmed him up. Three weeks he'd been in the freezer
Had he dreamt anything at all during this time?
O yes. The moon kept sailing up, as if
Into the dark blue theatre of his mind, & a toy boat
Crossed a wooden sea with an elegant tabby
Strolling its planks, a pole on her shoulder
And a spotted handkerchief on the end
What was in the handkerchief? they asked
Two pictures of a woman. A bundle of letters ...
And the cat ...? The cat spoke fluent Hungarian –
A language he'd never bothered to learn*

Our Daily Poems until Monday 19 January (when the winner will be announced) come from the volumes shortlisted for the 1997 TS Eliot Prize, presented by the Poetry Book Society. All the authors will take part in a reading on Sunday 18 January at 7.30pm in the Almeida Theatre, London N1 (box office: 0171-359 4404). This poem comes from *Canada* (Bloodaxe, £7.95). © John Hartley Williams.

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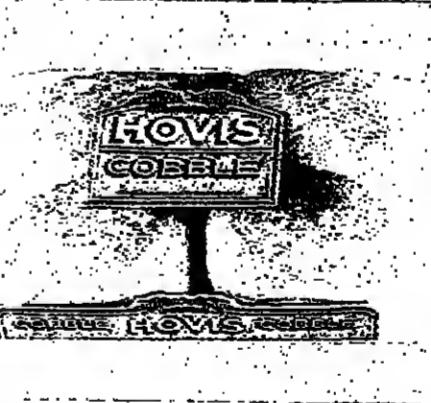
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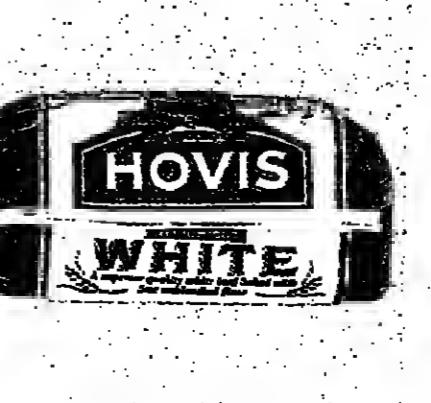
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Rwanda mass killers armed by France

France exported arms to the former Hutu regime in Rwanda in 1994, even though genocidal massacres of Tutsis were happening on an epic scale, says new evidence. The late President Mitterrand is quoted as saying: 'In countries like that, genocide is not so important.' John Lichfield reports.

Even from the point of view of realpolitik and overriding national interest, French policy on central Africa in the 1990s has been a disaster. First Rwanda and then Zaire fell into the hands of rebel forces profoundly hostile to France and French influence in the region.

Le Figaro began articles yesterday investigating the moral and political motives of French diplomacy in the region 1990-1994, a policy driven mostly by the Socialist François Mitterrand. The investigations by Patrick de Saint-Exupéry are all the more startling for appearing in the patriotic *Le Figaro*. Although they mostly blame Mitterrand, they also accuse the then centre-right government of Edouard Balladur of cravenly accepting a policy of uncompromising support of the murderous Hutu regime in Kigali.

Fearing an extension of US influence, Mitterrand insisted on supporting the Hutu government, despite evidence that genocide was planned and even after the massacres began. *Le Figaro* quotes him as telling advisers: 'In countries like that, genocide is not so important.'

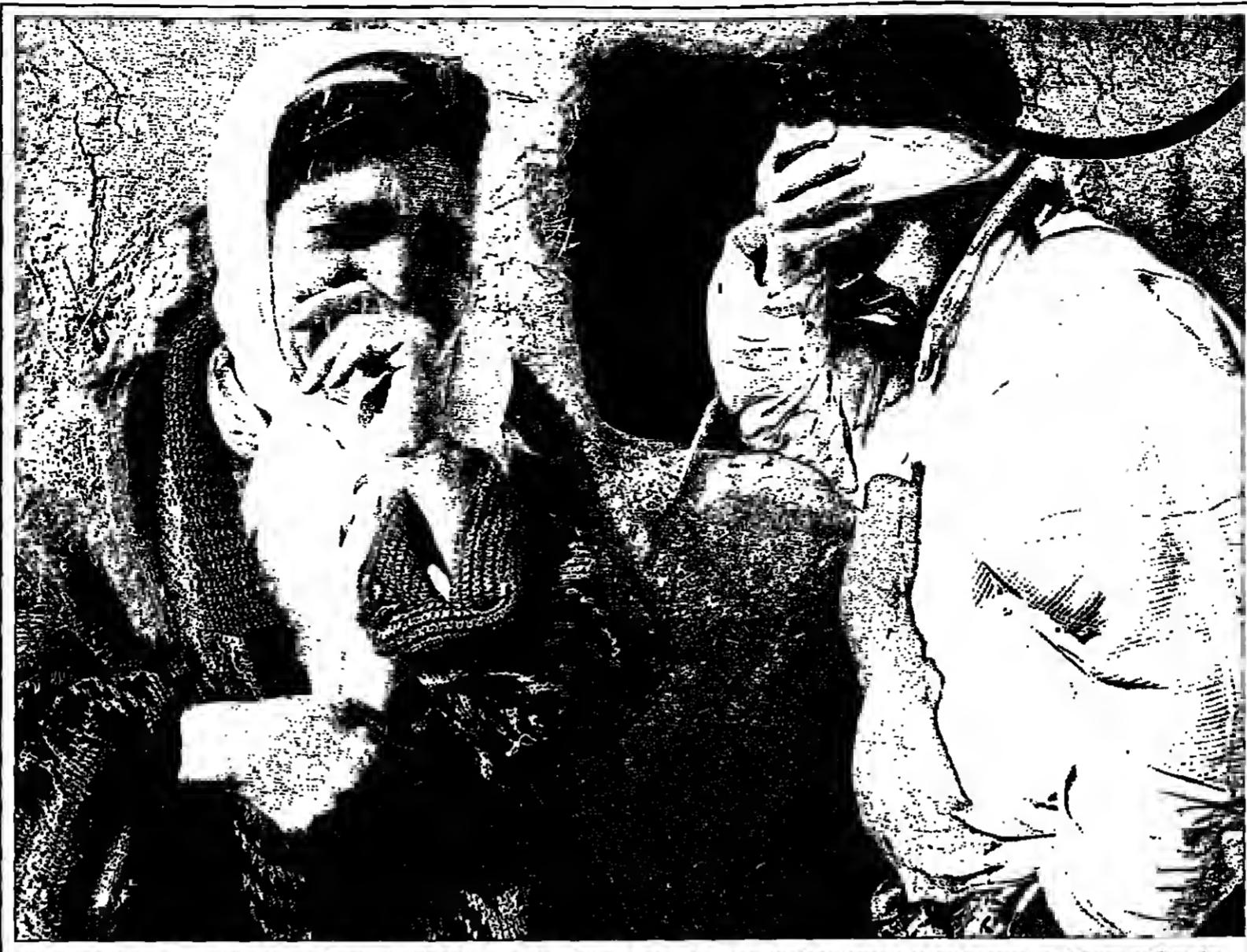
In May 1994, two months after the start of massacres which killed 850,000, *Figaro* reports, arms were delivered from

France to Rwanda. The Foreign Ministry denied it yesterday, saying Paris halted all arms exports in 1993. *Le Figaro* reported, however, that it was told by a senior officer that shipments continued until a month before France's 'humanitarian' intervention in the conflict on 23 June, 1994. The paper also said arms for the Rwandan government continued to arrive at the airport in Goma in Zaire in July of that year, when it was controlled by French troops.

Figaro also says two Rwandan officials, including one now under arrest on suspicion of inciting genocide, visited the Elysée Palace, home of the President, and Matignon Palace, home of the Prime Minister, in April 1994, three weeks after massacres of civilians began. At the Elysée they saw Bruno Delaive, then head of the African advisory 'cell'. He told Mr de Saint-Exupéry: '(At the Elysée) I must have seen 400 murderers and 2,000 drug-traffickers. When it comes to Africa, you can't help getting your hands dirty.'

Defeat of the genocidal Hutu government in the war with Tutsi forces, invading from Uganda, damaged French influence in the region, and Africa as a whole. The new Rwandan government went on to support Laurent Kabila's rebels in their push against President Mobutu in Zaire (also supported by France almost to the last). The episodes, and budgetary restraints, forced a re-examination of France's African policy. The present prime minister, Lionel Jospin, and his predecessor, Alain Juppé, favoured lower-level military engagement and less unquestioning support of authoritarian regimes.

Kigali: Hutu rebels killed nine Catholic nuns at a convent in Rwanda's north-western province. *Reuters* reports.



Algerian villagers mourn victims of a night raid by terrorists in Bouira province yesterday. The killings, 50 miles south of Algiers, add to the slaughter in the conflict between government forces and Islamic extremists. About 1,000 people have died so far this year. Photograph: Reuters

Iraq slaps new ban on weapons inspectors

Iraq yesterday headed into a new confrontation with the UN saying it will not allow any arms inspection by an

American it claims is a spy. It also complained that the inspection team was dominated by US and British experts.

Patrick Cockburn reports on the renewed crisis.

'It is absolutely untrue,' says Scott Ritter, the head of the UN team monitoring Iraqi strategic arms. 'I have never been employed or affiliated with the CIA. I find it disturbing and even insulting that Iraqi authorities with whom I have worked in the past six years would undertake such tactics.'

Iraq announced yesterday that from this morning Mr Ritter would be banned from carrying out inspections. A UN official confirmed that the team contained nine Americans, five

Britons, a Russian and an Australian. The decision by Iraq appears to mean that the confrontation between Iraq and the UN which led to a crisis in November is set to resume.

The Iraqi News Agency quoted a government spokesman as saying that Mr Ritter's team included too many Americans and Britons, adding the team will not be allowed to carry out inspections unless it is recomposed in a more balanced manner.

In New York, Ewen Buch-

anan, a spokesman for the inspection team, said the United Nations had not been informed officially of the Iraqi decision: 'We're trying to find out what this means.'

The UN says that trade sanctions imposed on Iraq after its 1990 invasion of Kuwait will not be lifted until its weapons of mass destruction are destroyed. Iraq and much of the Arab world sees the weapons inspections as simply a way for the US and Britain to keep Iraq permanently under economic embargo and politically weak.

Vaccine hope in Aids war

In what could be a milestone in the battle against Aids, the US government has given the green light to a first full-blown human trial for a possible vaccine developed by a small biotechnology company in San Francisco.

Roughly 7,500 healthy people will be picked for the three-year \$20m (£12m) study, which is due to begin shortly. If it is successful, a vaccine could be publicly available early next century.

While some 40 potential vaccines have been developed by US researchers, most have been disappointing and only one has made it to phase II testing. This is the first time approval has been given for a fully fledged phase III study. While phase II studies are designed to evaluate the safety of a vaccine, it is only at phase III that effectiveness is properly judged.

The company, VaxGen, said about 5,000 of the participants will be in the US with another 2,500 recruited in Thailand. About half the individuals, who will be healthy but at high risk of HIV infection, will receive the vaccine while the others will be injected with a placebo.

'There's nothing magic about this vaccine, but it's our best hope so far and it's time to take the next step,' Donald Francis, president of VaxGen, is reported as saying. 'I am optimistic.'

The reaction in the Aids advocacy community, which has suffered so many disappointments, was cautious. 'The vaccine is not the end of the road. It is the beginning,' said Jose Zuniga of the International Association of Physicians in Aids Care.

The key ingredient of the experimental vaccine, which has been under development for a decade, is a protein named gp120, which should bind together the Aids virus in the body. In theory, it will help create antibodies that would prevent the virus from attaching to receptors on white blood cells.

— David Usborne, New York

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US hints at Clinton broadcast to Iran

President Bill Clinton is considering whether he might respond in kind to last week's overture from the Iranian President, Mohammad Khatami, by making a television broadcast to the Iranian people. The idea was initially floated by an Iranian newspaper and was not excluded as a possibility by Mr Clinton's National Security Adviser, Sandy Berger.

In one of the most positive assessments of Mr Khatami's television interview to have come from US officials, Mr Berger praised the 'new tone' in the Iranian President's words and said: 'We would like to have a new relationship, a better relationship, with Iran.'

Asked about prospects for an interview, he told the CNN network, which conducted and broadcast Mr Khatami's interview: 'We'd certainly take a look at it.' Diplomatic relations between the US and Iran were broken off in 1979 after Iranian Islamic Revolutionary Guards laid siege to the US embassy.

Mr Berger said that Washington would consider ways to encourage unofficial exchanges between US and Iranian private

citizens — the 'popular diplomacy' called for by Mr Khatami last week. He also promised a review of the present, exceptionally tough, US visa regulations applying to Iranians.

These undertakings follow the disclosure last week that the US might reconsider its policy of sanctions against individuals and third countries that do business with Iran — a policy that has strained relations with several countries, in particular France and Russia.

— Mary Dejevsky, Washington



Kaunda: Went on CNN to address America

Murder bid to kill Kaunda

Lawyers for the detained former president Kenneth Kaunda said the Zambian government tried to kill the veteran politician and even planned national mourning for him.

Sebastian Zulu told Lusaka High Court that the shooting of Dr Kaunda during a rally in August in the town of Kabwe was an assassination attempt. Dr Kaunda was injured in the attack. 'Four days before the Kabwe shooting the government had already prepared a period of national mourning,' Mr Zulu said.

— AP, Lusaka

Deadly Chinese retaliation

China executed 16 people in its restive north-western Muslim region of Xinjiang for murder and robbery during a wave of anti-Chinese violence last year, a court official said.

In Almaty, in the former Soviet republic of Kazakhstan, a spokesman for a Muslim exile movement said China had executed 13 Uighur separatists but vowed that their fight for an independent 'East Turkestan' would go on. The Chinese said death-row convicts included a gang who killed and robbed to 'fan ethnic hatred and create an atmosphere of terror'.

— Reuters, Peking

Close call for Netanyahu

The coalition of the Israeli Prime Minister, Benjamin Netanyahu, managed only a tie against an opposition no-confidence motion, reflecting the government's precarious political situation.

The former foreign minister David Levy voted with the opposition, as did four of the five members of his Gesher faction, cementing their break with the coalition after Mr Levy resigned last week. The 54-54 tie in the 120-seat parliament fell short of the absolute majority of 61 needed to topple the government. Mr Netanyahu said he was satisfied that the government had survived.

— AP, Jerusalem

Moscow bends on Chechens

After weeks of tension between Russia and Chechnya, Moscow sounded a conciliatory note and stressed the need for economic co-operation with the breakaway republic.

The Russian government has been sending mixed signals about its policy on Chechnya in recent days. One hardliner called last week for pre-emptive strikes against Chechen 'bandits,' while moderates are emphasizing the need for compromise. Boris Agapov, deputy secretary of Russia's Security Council, said yesterday that Moscow should work to improve the economy in the region or risk a 'worsening of the situation.'

— AP, Moscow

Yeltsin to meet the Pope

President Boris Yeltsin will meet the Pope in Italy next month in what appears part of a broader effort to improve relations between the Vatican and the Russian Orthodox Church. The Catholic and Russian Orthodox churches said they would resume talks broken off in summer and try again to arrange the first meeting of the pope and the Russian patriarch.

Mr Yeltsin is on vacation in north-west Russia after falling ill last month with a cold. During his visit to Italy he will also hold talks with the Italian President, Oscar Luigi Scalfaro, and Prime Minister, Romano Prodi.

— AP, Moscow

Professor power takes on EMU

Four academics took the fight against the euro to Germany's highest court yesterday. In theory their action could stop monetary union in its tracks, but, as Imre Karacs explains, that is the least likely outcome.

In a country where almost nothing happens without a lawsuit or three, it was always inevitable that the German government's attempt to abolish the Deutsche Mark would be dragged through the courts. The plaintiffs in the latest case of Germans versus Germany are eminent academics: three leading economists and a legal expert. The venue is the Constitutional Court in Karlsruhe, whose crimson-robed judges are renowned for their Delphic pronouncements.

In a 350-page deposition handed over to the porter at Germany's highest court yesterday, the professors argue that a politically disunited Europe does not need currency union. EMU, in their view, is therefore not only a superfluous, but also a dangerous exercise.

In their learned opinion, member-states have failed to meet the criteria laid down in the Maastricht Treaty. "All the required conditions for a successful start and operation are clearly absent," said one of the petitioners, Wilhelm Nölling, a former member of the Bundesbank Council. "Europe is simply not ready for such an adventure or experiment."

Germany, in their view, has itself failed to fulfil the entrance requirements, coming close on certain points only by "window-dressing". They point out that the budget deficit for the qualifying year of 1997 exceeded the 3 per cent limit laid down in the Maastricht Treaty. The latest independent estimates put it at 3.1 per cent, when measured in accordance with the EU's accounting rules.

The ratio of public debt, at 61.8 per cent of GDP, also fails the 60-per-cent test.

Even the other two Maastricht criteria – inflation and long-term interest rates – leave the academics unimpressed, because they believe them to be unsustainable amid Germany's record unemployment.

This is a bleak picture, described by the investment house Deutsche Morgan Grenfell as being "wildly out of touch with reality". It is also, to a large extent, irrelevant. To some degree, the Maastricht Treaty is open to interpretation.

In 1993 the same court in Karlsruhe ruled, at the behest of one of yesterday's petitioners, that economic and monetary union in Europe would have to be based on the "strict and narrow" interpretation of the Maastricht Treaty.

Just how "strict and narrow" is for the Bundesbank: the German legislature and representatives of the EU member-states to decide. As a result of the first Karlsruhe judgement, Germany's two-chamber parliament, the Bundestag and the Bundesrat, have the power to scupper EMU. They will take a vote in April, on the basis of the expert opinion of the country's central bank. Since the Bundesbank is broadly in favour of EMU, and all the main political parties overwhelmingly supportive, the outcome of April's votes is a foregone conclusion.

Under these circumstances, the best the academics can expect from the Constitutional Court is a mild rebuke for European governments. The most likely message from Karlsruhe will be deafening silence.

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Headline that changed history: A giant reproduction of Zola's 'J'accuse' article, which appeared 100 years ago today, draped on the wall of the National Assembly in Paris

Photograph: AFP

France still haunted by the spectre of Dreyfus

The headline "J'accuse...", published 100 years ago today, changed the course of French history. It led, eventually, to the exoneration of Alfred Dreyfus, the Jewish army captain found guilty of treason on trumped-up, anti-Semitic charges.

John Lichfield in Paris asks why, a century later, the Dreyfus Affair still reverberates so powerfully in France.

The novelist Emile Zola wrote hundreds of thousands of words but he is best remembered for just two, which, properly speaking, he did not write.

It was Georges Clemenceau, editor of *L'Aurore*, later prime minister of France, who decided to splash "J'accuse..." on the front of his newspaper, above Zola's article. The writer, author of *Germinal* and *La*

Bête Humaine, used the words over and over in the text but he had titled his piece, rather pedantically, "Letter to the President of the Republic". It was Clemenceau's startling headline – all the more startling because such headlines were not yet common – which increased circulation of the newspaper 12-fold to 300,000 and helped Zola to change the alarming direction of "L'affaire Dreyfus".

France celebrates the headline and the Zola letter this week with ceremonies, seminars, and the draping of a 150-square-metre reproduction of the front page of *L'Aurore* over the facade of the National Assembly. President Jacques Chirac has marked the occasion with an eloquent letter to the descendants of Zola and Dreyfus. "The Dreyfus Affair," he said, "tore French society apart, divided families, split the country into two enemy camps, which attacked each other with exceptional violence..." It was a reminder, he said, that "the forces of darkness, intolerance and injustice can penetrate to the highest levels of the state". Why is the Dreyfus case still

such a live issue in France? Arguably, it changed the course of French history, confirming France as a republican and democratic state, defeating the forces of extreme nationalism, racism, clericalism and nostalgic royalism which might have split the country into a kind of proto-fascism or Francoism. It was Zola's letter which tipped the balance, persuading other French writers and scholars to join the battle to exonerate Dreyfus. This was the supreme prototype for the engagement of French intellectuals in politics: the word *intellectual* was first used as a noun during the Dreyfus Affair.

Secondly, the existence and strength of the far-right National Front – direct spiritual descendants of the die-hard, anti-Dreyfus camp – means that the struggle with intolerance, injustice and anti-Semitism is far from over. Publications close to the NF still regularly proclaim the guilt of Dreyfus. His statue at the Place Pierre-Lafite in the sixth arrondissement in Paris, erected three years ago, is frequently daubed with anti-Semitic slogans. As recently as 1994 the head of the French army history department was dismissed for allowing the military's magazine to publish an article which described the innocence of Dreyfus, unenthusiastically, as a "thesis generally held by historians".

Finally, the broader issues raised by the case – *raison d'état* versus individual justice and truth – remain live forces in all politics but especially in the French political psyche. Witness the cynical bombing of the *Rainbow Warrior* or the French government's realpolitik support of the genocidal *Hutu regime* in Rwanda.

Dreyfus was an obscure artillery captain in French military headquarters when he was accused in 1894 of writing a memo to the German embassy, containing a sort of shopping list of French military secrets. Few facts pointed to his guilt but he was Jewish and had been born in Alsace, then part of Germany. The case was used, with great success, by nationalists, the clergy and the higher echelons of the military to whip up a xenophobic and anti-Semitic frenzy. Dreyfus was convicted, stripped publicly

of all his military insignia and placed in a kind of cage on Devil's Island, a tiny outcrop off the coast of Guyana. Evidence emerged that another officer – Ferdinand Esterhazy, a scoundrel married into the French aristocracy – had written the memo to the German ambassador. To no avail. New evidence was fabricated by the French military to confirm the guilt of Dreyfus.

It was the scandalous acquittal of Esterhazy by a court martial in 1898 which persuaded Zola that the case was not only a gross miscarriage of justice but a threat to the political and personal freedoms established by the French people since the Revolution.

His intervention began the first concerted campaign to prove the innocence of Dreyfus. A year later the captain was re-tried by court martial but again, found guilty on no evidence whatsoever. He was immediately pardoned by the President and released. It was not until 1906 – four years after Zola's death – that the supreme French civil appeal court declared Dreyfus to be innocent.

Human rights convention embraces ban on cloning

The first binding international ban on human cloning was signed by 19 European countries yesterday as opinion round the world hardened against the idea of replicating human beings. Jeremy Lawrence, Health Editor, reports

The text, which is an addition to the European Convention on Human Rights and Biomedicine, slaps a total ban on human cloning although it allows the cloning of cells for research purposes.

Britain did not sign the protocol because it is not yet a signatory to the convention

closed from an adult cell, by scientists from the Roslin Institute, Edinburgh.

The cloning protocol, agreed to by European leaders at a summit last October, will also not include Germany, which claims the measure is weaker than a current German law that forbids all research on human embryos. That law is a legacy of the Nazis' attempts before and during the Second World War to conduct genetic engineering experiments on humans.

Shortly before the signing ceremony in Paris yesterday, the French President, Jacques Chirac, told a meeting of members of European national ethics committees that "It is on the international level that one must ban cloning and the genetic



The European ban is a response to the cloning of Dolly the sheep

of which it is a part, which was agreed last April during the UK election campaign. The Government is consulting on aspects of the convention before signing it, but a health department spokesman said yesterday that it welcomed the protocol and shared the view that the creation of genetically identical human beings should be banned.

"The principles are already reflected in UK law which prohibits human reproductive cloning," she said.

The 40-member Council of Europe called the protocol "Europe's response to the threat" of human cloning following the experiments that led to the creation of Dolly the sheep, the world's first mammal

manipulation susceptible to altering the character of the human species. We would resolve nothing in banning certain practices in one country if the doctors and researchers can develop them elsewhere."

In Britain, a consultation paper setting out the potential benefits of allowing research on human cloning is to be issued in the next few weeks. The Human Genetics Advisory Commission, which has drawn up the document with the Human Fertilisation and Embryology Authority, will seek the views of a wide range of scientific, religious and ethical organisations. The UK government has said it is "not opposed in principle" to allowing research aimed at tackling serious inherited diseases.

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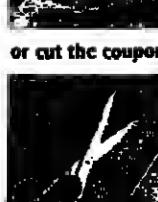
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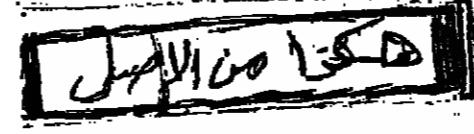
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Sexual harassment? It's all in a day's doctoring



DR PHIL HAMMOND

"Doctor, I haven't had an orgasm for 10 years. What are you going to do about it?"

This is the closest I've got to sexual harassment from a patient. Of course, it could have been an entirely innocent question begging my professional expertise, but the fact that it came through an emergency phone call aroused my suspicions. Fortunately, I'd been taught exactly how to respond in such a situation. "That sounds nasty. I think you should go straight to casualty." Alas, I decided against the inappropriate use of scarce hospital resources and invited her to make an appointment. Three days later, I was treated to 20 minutes of irritable bowel and nothing else. Very stressful, but hardly harassment.

As a student, I did once encounter a pair of crotchless pants, but as they were the one (and only) pair I've ever seen, I assumed the poor woman must have snagged them alighting from her bicycle. Or perhaps they'd been specially designed by a gynaecologist to keep you warm during the speculum examination. Either way, I didn't find them threatening, so I was intrigued to hear a GP describe (on Radio 1 last Thursday) how common and stressful it is for doctors to be faced with "inappropriate underwear".

The GP, alas, did not specify how a patient should judge appropriateness before panting up to see the doctor. "Will only pristine white cotton tights do? What if your entire pant collection consists of black leather thongs? Are you expected to make a special trip to M&S before you see the doctor? And what about cross-dressing? Should I be alarmed by a woman in boxer shorts? Well, only if they're mine. On the whole I prefer a cleaner pant, although gut pathology doesn't always allow for this, but the only underwear I can think of that would be unequivocally inappropriate would have 'F*ck me, you're a doctor' splashed across the front."

All this pant talk was on the back of a survey by *Doctor* magazine, which found that nearly a quarter of the 1,514 GPs who responded have been sexually harassed by patients. This makes great

copy, but it's worth remembering that each GP has around half a million consultations in a professional lifetime, so we're bound to encounter the extremes of human behaviour. Also, the survey was not a random sample - GPs who read *Doctor* were invited to fill in the questionnaire - which may bias it towards those who have had bad experiences. These consisted of (in order of frequency) "suggestive remarks, inappropriate requests for physical examination, inappropriate physical behaviour and welcome gifts".

At the extreme end, 7 per cent of respondents had been victims of stalking and three doctors were so distressed they had resigned from their practice. A few months ago, I met a female GP who'd given up medicine altogether after a male patient had masturbated in front of her in the "safety" of her own consulting room. She's now studying law. "At the time, I was just paralysed with fear and disgust. But I can remember thinking just how unsafe the consulting room was. The panic buttons were on order, and the only door was behind the patient, with me trapped behind the desk. I did have a window, but this was Liverpool, so it had bars on it. So I just sat there. I did think about complaining but in the end, I thought it would be less stressful to get out altogether. It wasn't just that one incident - it was also that I was a woman, I was known in the practice for being very empathetic and a good listener - and everyone eventually just took advantage of it. I just felt abused all round."

For comparison, I spoke to a female doctor who works in genito-urinary medicine. Did she feel sexually threatened working in the male clinic? "The context of the work makes a big difference. People who come to this clinic know that they're going to have their genitals inspected so we all know what to expect. If someone suddenly gets his penis out, it isn't much of a surprise. Also, I always have a chaperone available to take with me, a luxury you don't often have in general practice." "Do patients ever get aroused?" "A few get erections, but usually it's out of anxiety - you know, doing something you know you shouldn't but you just can't control yourself." "Like farting in church?" "Exactly. But very few men sustain an erection when the swabs go in." "And do you ever feel sexually harassed?" "I get chatted up a bit - but to me that's far less offensive than the thought of men sitting at home with untreated gonorrhoea and spreading it all over the city. So you just go with the flow."

Are new reports of increasing, untreated asthma among children a real cause for concern, or the result of widespread hypochondria? Jack O'Sullivan reports.

In the Sixties and Seventies, when I was a child, asthma was an exotic complaint. There was just a handful of other children at school who wheezed during PE. From late autumn, we would be off school for weeks and return after an attack, looking distinctly wobbly. A place in the football team or the swimming squad was a welcome gift.

At the extreme end, all that has changed. Today, the classroom cupboard filled with blue and brown inhalers is a common site. About one in eight children in the UK has been diagnosed with asthma and last week, a study published in the *British Medical Journal* suggested that the problem might be even worse than we thought.

A survey of 12 to 14-year-olds found that one in three respondents had wheezed during the previous 12 months, although only half of those had been given the dreaded diagnosis. The researchers concluded that six or seven pupils at each large secondary school suffer moderate to severe symptoms, but are undiagnosed and untreated.

These figures suggest not just an ordinary disease, but an epidemic. They inevitably raise suggestions of hypochondria. Are over-zealous doctors exaggerating the problem, filling a generation with drugs - and the coffers of the pharmaceutical empires at the same time? Should we worry that what once might have been disregarded as a harmless cough has become the starting point of long and unnecessary treatment?

Scepticism is fuelled by the failure of science to establish why we should suddenly face such an epidemic. For a while, everyone blamed pollution. But publication of last week's study, involving 27,000 British school children, suggested that neither pollution, climate nor diet is the chief culprit - incidence is broadly spread and slightly higher in the clear pure air of the rural areas than in the cities.

So what do we really know about an illness that can be terrifying when a child suddenly gasps for breath? (Asthma actually kills 1,500 people a year in Britain, although a tiny fraction of this number is young.)

Asthma is the chronic inflammation of the airways, which leaves them hyper-sensitive. As a result, they narrow readily when exposed to a wide range of triggers, including house dust mites, animal dander, damp spores, chest infections, smoke, stress, pollen and specific foods. Asthma represents something going wrong with the immune system, which for some reason starts to react to substances which most people find benign.

Secondly, the epidemic is real. If you need proof, visit the casualty unit of any children's hospital on a winter's evening and watch the steady stream of listless toddlers, their tired faces covered with a mask as a fine spray of anti-asthma drugs is administered.

Medical opinion is virtually united in seeing the current incidence of childhood asthma as around 15 per cent in Britain, far higher than in the recent past and some other countries. And it is rising. "There are now numerous studies pointing to this sort of figure."



Aggressive treatment in the early stages of asthma, such as the use of a hospital nebuliser, can be highly beneficial to a child. Andrew Buurman

says Marilyn Partridge, consultant chest physician at Whipps Cross hospital, London, and chief medical advisor to the National Asthma Campaign.

A sound diagnosis of asthma with well-targeted treatments can be highly beneficial to a child. Far better than doctors prevaricating endlessly calling the problem a chest infection and wrongly prescribing antibiotics.

Nevertheless, you should not assume that a child's wheezing is necessarily asthma. Croup, which involves wheeziness, barking cough and breathlessness, can mimic asthma and, although it usually clears up after a week, can recur. Asthma is notoriously hard to diagnose in children under two. Half of those under five who have a wheezing illness will not have asthma when over five. So they either did not have the disease in the first place or they grew out of it. Those who develop asthma after the age of five are much less likely to grow out of it, says Dr Partridge.

Symptoms, which should, however,

make you raise the question of asthma with your GP include: repeated bouts of wheezing, a persistent dry irritating cough, sleep disrupted by coughing or wheezing, shortness of breath after exercise.

We also know who is most in danger of developing disease. An immediate family history of allergic diseases, such as eczema, hay fever and asthma, is a very high risk factor, according to the recently published *Which? Guide to Managing Asthma* (Penguin £9.99). Other risk factors are sex (boys are more vulnerable than girls); birth weight under 2.5kg; early contact with allergens (a child born between October and January is more likely to be allergic to house dust mite); passive smoking; diet (babies breast-fed for six months have much reduced incidence of asthma); teenage pregnancy (possibly due to high levels of allergen antibodies in adolescents); being firstborn children with older brothers and sisters are exposed to more viral infections early in life, which are believed

to offer protection against asthma. Given this knowledge, is it possible to prevent the disease in children? Perhaps, we can stop some cases. Research is beginning to indicate that mothers exposed to high levels of some allergens, such as house dust mite, tobacco smoke, pollen, nuts, eggs and milk, may prime the babies' immune system. So some doctors advise women with a history of allergies to avoid large amounts of nuts and other allergens, particularly in the last three months of pregnancy. But this is no insurance against asthma.

What then can be done for children who already have asthma? Many people try clearing their homes and diets of potential allergens. But these irritants are so common in the environment and in diet that this is extremely difficult. And poor diet carries its own risks. So the current focus lies in managing the problem: controlling the inflammation of the airways. The main protection is an anti-inflammatory inhaler or "preventer" (based on a steroid, which

presses the immune-response).

"There is increasing evidence," says Dr Marilyn Partridge, "that the damage in the lungs caused by asthma may occur early on in the disease. So the indications are that aggressive treatment in the early stages of the disease will pay off." Hence the rush to diagnose the young.

Sufferers also use a "bronchodilator" (the blue puffer) which opens up the airways temporarily without reducing the underlying inflammation. Doctors are cautious about the long-term use of these inhalers because they mask the underlying disease, which can worsen without other treatment. There are also claims among a minority of chest experts that indiscriminate, long-term use of bronchodilators can actually damage the lungs and may have contributed to the high level of adult fatalities.

The big question is whether we can stop the massive increase in asthma cases. A vaccine to stop the body reacting to some allergens is a possibility. But, in the short-term, progress in curing the illness is hampered because pharmaceutical companies spend mainly on developing lucrative new drugs to manage the disease. And, although we understand many of the triggers for asthma, we still don't know what actually causes it.

"This is a disease of civilisation," says Dr Partridge. "I think we will find eventually that there are several genetic predispositions in asthma and that the likelihood of these being activated are increased by several factors - Mum smoking, the fall-off in exposure to infectious diseases, plus changes in the indoor environment." But for now, there is little a breathless child can do but keep taking that puffer and hope to grow up and out of asthma.

Never mind the pain, get up on your toes, boys



The pointe of it all: 'the Trocks' on stage. Photo: David Tait

The all-male dance troupe 'the Trocks' may be bigger and heftier than the girls, but that makes their feet even more vulnerable to injury, reports Louise Levene.

Every dance company has doctors and physiotherapists at the ready, but *Les Ballets Trockadero de Monte Carlo's* orthopaedic consultant gets shared billing in the programme notes. Ballet is a beautiful but painful business. When a prima ballerina descends from her pointes to acknowledge her public's applause, her partner may envy her the spotlight but he's usually grateful to be spared the lifelong blisters and tendonitis that come with the shoes. Unless, of course, he decides to buy a pair of his own. The Trocks (as they are usefully known) are a hilarious New York dance troupe founded in 1974 whose 14 performers all dance in tutus on the tips of their toes - a source of concern (and revenue) for a certain Dr Weiss and his New York clinic specialising in dance and sports injuries.

Pointe shoes make your most uncomfortable pair of pumps feel like carpet slippers. The sheath of pretty pink satin traditionally conceals an unyielding interior of canvas, steel and glue. The Trocks favour an ultra-modern design whose plastic shell can be remoulded and tailored to the foot with the heat from a hairdryer, but no amount of made-to-measure technology can alter the fact that the human body wasn't

if they have a bigger and heavier foot than a woman but even if they're skinny - and they are skinny - they still have 10 or 20 per cent more body weight."

You might imagine small, dainty feet to be an advantage. Think again. Ideally a dancer should have what used to be called a "peasant's foot", rather than the "Grecian foot" (what Weiss calls the "too-good foot") with the long, slender shape and the longer second toe. "It may look pretty in a sandal but it isn't suitable for toe-dancing." Square feet spread the weight more evenly.

Overtuse is always a danger and hard-working dancers risk tendonitis and stress fractures, but the very drudgery of the Trocks' 35-week tour schedule can protect them from more traumatic injury. Dr Weiss cites many examples of male dancers who wear pointe shoes once in a while and get hurt: "The advantage for the Trocks is that they are doing it all year round. It may put more wear and tear on the tissues, and they often end up with ugly-looking feet, but they're not usually maimed by it."

Look at an X-ray of a pointe dancer's foot, their metatarsal bones are actually thicker. The Trocks are heavier than women and this can be compensated for

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THE PSYCHOLOGY OF SELF-DECEPTION
DANIEL GOLEMAN

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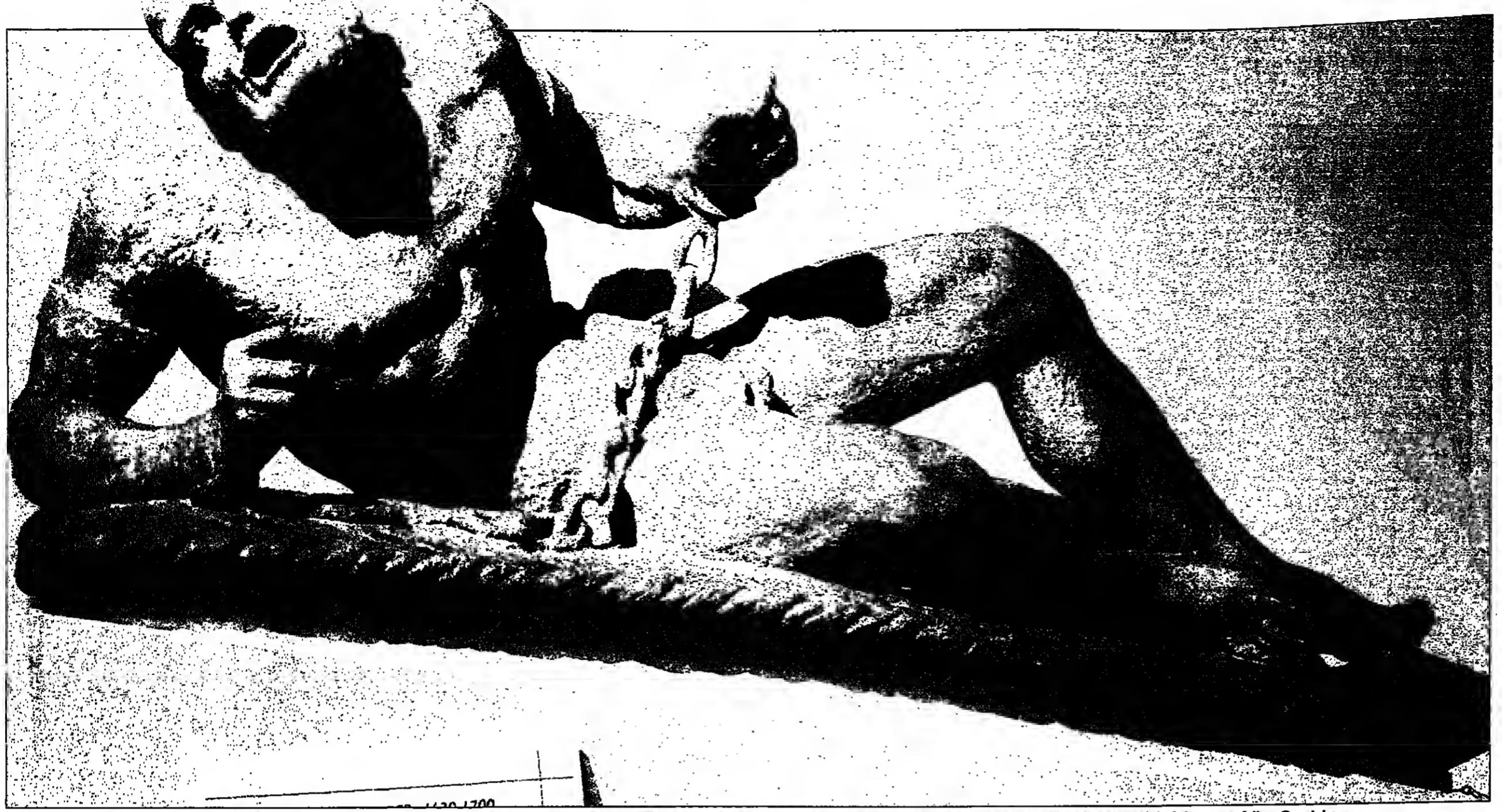
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Abandon hope, all ye who enter here? His wrists manacled, his arms bound together behind his back, 'Raving Madness', above, raises himself in his enveloped nakedness like Michelangelo's Adam or a fallen Greek hero. 'Melancholy Madness', meanwhile, sprawls on his front, below, his hands clawing his bedding, his eyes blank, his tongue lolling idiotically out of his mouth

Photographs: Nicola Kurz

You don't have to be mad to work here... but it helps

The Bethlehem Royal Hospital not only gave the world a new word for lunatic asylum, it even advertised its wares with a pair of matching stone madmen outside. Not exactly PC. But then, says Tom Lubbock, earlier centuries were under fewer delusions about the human condition than we are today.

Critics are sometimes guilty of reviewing not the show they've seen, but the show they'd like to have seen. This week I'm tending that way myself and I can be very specific. The show I'd like to have seen and to be reviewing now is called "Art and Madness", a comprehensive survey of this rich and complex subject from the Renaissance to the present. But the sad thing is that this show isn't likely to happen in the near-future - for the simple reason that it just has happened. "Kunst und Wahn" opened in Vienna in September and closed in December and to judge from the catalogue it was everything that could be desired. But I missed it completely. I heard

about it a few days ago. I can only apologise. So I and you must make do with two small exhibitions in London, marking the 750th anniversary of Bethlehem Royal Hospital, the ancient madhouse which gave the world the word "Bedlam". It first stood in the middle of the City, moved to Moorfields after the Great Fire, then to Southwark at the start of the 19th century (to what is now the home of the Imperial War Museum) and, since 1948, has been incorporated into the Maudsley Hospital in Beckenham, Kent. Both shows are drawn from the hospital's archive. At the Museum of London there's a historical display called "Bedlam: Custody, Care and Cure 1247-1997"; and at the Science Museum there's "Surprising Regions of the Mind", an exhibition of art made by the hospital's inmates, most of it just shown also in "Kunst und Wahn".

Well, both shows are interesting enough, though I think that the Museum of London one is too much of an example of the common fallacy that all knowledge can be made into an exhibition - you know the sort of thing, a few objects and many documents in glass cases, plen-

ted. They were the hospital's advertisement to the world and, though they're in a pretty crumby state now, they teach the modern mind a surprising lesson.

Their titles are not original and not quite accurate. The figures represent the two poles of insanity as it was conceived back then - mental excess and mental deficit. *Raving Madness* lies on his back, naked, in a pose rather like Michelangelo's *Adam*. His wrists are manacled and his upper arms bound together round the back with ropes. He raises his torso, shaking his chains. His head rolls, his eyes have a wild look and his bellows in uncomprehending pain. *Melancholy Madness* is more striking still. In a loin-cloth, he half sprawls on his front, his legs twisting round each other in a spasm, his hands clawing his bedding. His shoulders are hunched around his head and his face falls vacant, the eyes blank and the tongue lolling idiotically out of the mouth.

Perhaps the figures were studied from life or perhaps they're more like theoretical models, medical specimens. But whatever their relation to nature, these pathetic creatures make high artistic references also - to reclining classical river-gods and to Michelangelo's Medici tomb, to the ideal male nude generally. They are, for all their helpless convulsions, very powerfully muscled anatomies. Cibber's achievement

here is to make an extraordinary composite of contraries: of strength and helplessness, nobility and wretchedness. Even their nudity becomes ambiguous. To use Kenneth Clark's famous terms, they are both nude and naked - the classical boast of human perfection combines with the mark of degradation and neglect. Each aspect exacerbates the other, so that you feel what a terrible fall the human ideal has taken and, on the other hand, that even these wretches are still human. Indeed

the nature of genius gives the figures a kind of self-consciousness: writing

simply that making the mad into pitiable spectacles of pathos is nowadays thought an unhelpful attitude - though it is so thought and in a way rightly, the old practice of sight-seeing in mental hospitals seems to us disgusting, even if that doesn't stop people admiring the photographs taken by Diane Arbus. No, what we find especially disturbing about Cibber's work is not the images themselves, but where they were once placed - up front and in full view.

That response isn't so new. The sculptures were not put back by the entrance when Bedlam moved to Southwark.

They were kept indoors, behind curtains, only being displayed

on rare occasions and even this the hospital surveyor found "in doubtful propriety". So what is the propriety that's offended here? It's a matter of something being boldly stated in public. The statues stand outside the mad-hospital and they declare, for all the world: Here is Madness. What's more, by making lasting monuments to madness, the statues affirm its presence in the world - which, for us, comes uncomfortably close to celebrating it.

This is the problem: the public recognition of affliction as a fact of life. Our attitude to public images is that they should either be celebratory, of some good or (where the subject is negative) solemnly memorial. The idea of public sculptures that represent an evil - and represent it not as something to be mourned retrospectively or something overcome, but as a great living force - isn't on the agenda. (Imagine street statues of Cancer or Child Abuse.) But this is what Cibber's figures, in their original position, actually stressed. Their grandeur and physical power may play against their helplessness, but also work another way, allegorising the power and grandeur of human madness itself - not romanticising it (it's unquestionably shown as a wretched state) and not looking towards cure or recovery, but simply saying: acknowledge this mighty thing, it exists and it is terrible.

Today only crucifixes perform a comparable role, as emblems of pure suffering, but they aren't seen as fully public images, being linked to a non-universal religion and anyway their story doesn't stop with the pain. But with *Melancholy* and *Raving Madness* it does. They write for ever. They served their contemporaries as a reminder that affliction is a great, permanent and terrifying aspect of human existence. They serve us as a reminder of how fundamentally and insistently optimistic the tone of modern public discourse has become.

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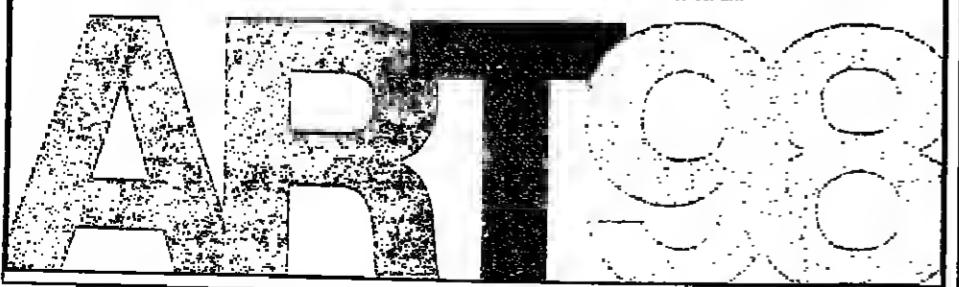
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Bye-bye Bay

At the weekend the man who was a mastermind the co-creators of the Millennium Dome tested a high pique. Credit: What crisis? (see box)

At the weekend the man who was a mastermind the co-creators of the Millennium Dome tested a high pique. Credit: What crisis? (see box)

15/FEATURES

THE INDEPENDENT
TUESDAY
13 JANUARY 1998

REVELATIONS

The Time: 1 May 1997
The Place: Westminster
The man: Michael Dobbs, novelist and former deputy chairman of the Conservative Party

I felt I was walking through a sticky marsh, without a compass or a road map. I was thoroughly depressed; for the first time in my life I found that I couldn't rise above the misery. The last Conservative Party election campaign, which I was involved in organising, was a disaster, with no clear sense of direction. Two or three years earlier I had been convinced that we were going to lose, but I could not entirely convince myself that we shouldn't. There comes a time in every government's life when it runs out of energy, and the electorate has this wonderful capacity for sniffing out those moments.

It would have been much easier for me to take a great holiday, but I decided to keep on with politics. I had been there right at the beginning, with Margaret Thatcher when she did *Francis of Assisi* outside Downing Street, and I wanted to complete the full circle and be there at the end, too. I kept on getting involved with politics because I hated being on the sidelines just cheering or jeering. I found it very difficult to let go, and anyway, if I had opted out I suspect I would have regretted it.

I had been given responsibility for negotiations around the Blair/Major television debate, which in my view was never going to take place. Despite all the press coverage, the parties never met; instead the broadcasters acted as intermediaries. It was shadow boxing. If you landed a punch, by the time it came back through all the middlemen it was scarcely recognisable. I knew the work was important; if the debate had taken place, we would have changed election campaigning for all time; but the frustration just increased my sense of helplessness.

My sleep became something that was almost meaningless to me. I would lie there with my mind nagging away at why things I took for granted didn't work any more – not a healthy thing to do. It certainly affected my personality. Food had always been something I enjoyed, perhaps too much, but I have no recollection of those meals. I was probably clinically depressed, and had been for the previous three or four months. I felt worthless.

On election morning, I went to Downing Street to finish clearing up. It was like a ghost city. Everybody knew a change was coming; you could sense it and taste it. A huge amount of shredding had been going on for days and days beforehand. I was going round, saying goodbye and learning some new things, too. I had time, finally, to look in the corners and cupboards and make a few notes.

I knew my life was about to change dramatically. I had had a similar feeling on election night 1979. I was with Margaret Thatcher at her count. We went back to her constituency office, I say "her" and drove to Downing Street via the Mall, and I remember very vividly that as we came to the roundabout outside Buckingham Palace we were joined by police motorcycle outriders and two further security cars. It became a great convoy, and I knew my life would never be the same again.

As I looked at No 10's familiar rooms for the last time, I remembered John Major taking me round the Cabinet Room; it was fascinating to have some of its history pointed out by him. There is a patio just outside which still has the same tiles from 250 years ago; I know because there is an oil painting showing exactly those tiles in the corner of the view.

I walked out of the front door of 10



Michael Dobbs: 'In spite of all the darkness there was still a chink of light – my writing'

Photograph: John Voos

I walked out of 10 Downing Street – but I did not look back

Downing Street but I did not look back. After almost 25 years working for the party, it was the closing of a great chapter in my life. Part of me knew that some very difficult times were ahead, but I just had to get on with it. Politics means a great deal to me, but for the first time ever it was all going wrong. What was worse, I had no experience of losing elections. I went back to my apartment in Fulham, which I had taken for the campaign. Although it was perfectly comfortable and very practical, I had grown to loathe it. I have very strong feelings about homes and this one

felt like a prison cell. Away from my family – my kids are just eight and 10 – I was lacking the anchors in my life.

I was at Conservative Central Office when the exit polls and the computer projections were coming through. The general discussion was about their unreliability, but I thought it was all complete bollocks, and that we had been completely thrashed. I could not stand listening to everybody's justifications so I went for a long walk around Westminster. I was very, very angry: good friends would lose not just their jobs but also their complete way of life. I understood

what was about to happen. I was not going to like it, in fact it would hurt hellishly, but it was something that just had to be. All the youthful excitement of 1979 and my naivety had gone. I felt frightened but also strangely liberated. I told myself that in spite of all the darkness there was still a chink of light – my writing. I knew I could savour my pain, tuck it away and use it in a future book.

Following my walk through the dark streets of London, I returned to Central Office and discovered that the results were even worse than my nightmares. I thought

we would lose by only 100 seats. I desperately needed something to help me make it through the night and distract me from the awfulness: so I gave television interviews. Starting with BBC and ITV, I moved on to Sky and finally ended up on cable TV to the Middle East, with my explanations of how the change in government would impact on their politics being simultaneously translated into Arabic. My personal and political lives were connecting rather splendidly, and both going down the toilet.

Next morning, I woke up knowing that

Bye-bye Bayley. Hello millennial optimism

At the weekend the man who was to mastermind the contents of the Millennium Dome resigned in high pique. Crisis? What crisis? asks *lanc* Niesewand.

Six months after his appointment the man responsible for the Millennium Experience, Stephen Bayley has resigned on a wave of bombast and rudeness. On Sunday he claimed that the dome might turn out to be a "crap". But his timely departure may just have been in time to save it from that fate. By his endorsement of some of the things he introduced, such as the giant sphere drawn to earth by a magnet, which he explained, "doesn't really mean anything, but it gives you a counter-intuitive ... thing ...", he has brought the dome into disrepute.

Bayley is dismayed by the sit of the Minister without portfolio, Peter Mandelson, to "suey World in Epiria".

I never thought I would be sorry for Mandelson, but am. Why should he learn from Disney? I've dismayed him. The Millennium



Stephen Bayley: politically insensitive Photo: Keth Dobney

Experience is taking place in the world's largest dome building, the size of two Wembley Stadiums, taller than Nelson's Column, costing the nation £750m. Every exhibition organiser these days takes note of the way Disney packs in crowds on a timed schedule to give the punters their money's worth.

With chutzpah – and wishful thinking – he told *The Sunday Telegraph* that "they won't take advice from me, Richard Rogers, or Terence Conran or any of their advisers"; but Richard Rogers, architect of the dome, was far from delighted with the appointment of Mr Bayley as creative consultant.

Before his appointment, Richard Rogers planned the Millennium Experience with Imagination Gallery. Their confidential document described going to the site as "an odyssey into the future". This is what they wanted to celebrate: national creativity, the individual, the story of time and especially the future, our ownership of the

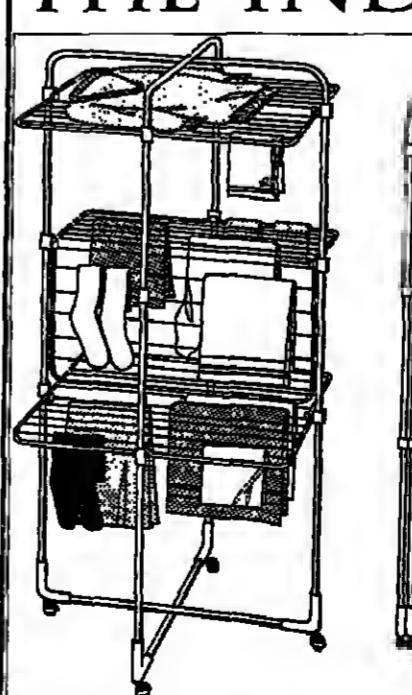
taste. But in his slipstream, his legacy continues. Nine design consultancy teams have been appointed to help fill the dome with their designs. After an advertisement in the *European Review* brought applications, Bayley selected a short-list and asked them to make proposals for pavilions in the dome. With their letter of appointment they were asked to submit their rates – and to say absolutely nothing about the project. It's too bad that a similar inhibition was not placed upon Mr Bayley.

Two particularly unfortunate remarks reveal Bayley to be a man of unbelievable political insensitivity. By suggesting in *The Sunday Telegraph* that "the whole way in which the project is being run is pure East Germany", and saying that "if Mandy went down to a voodoo sacrifice in the dome tonight he'd come back tomorrow saying 'We must have some voodoo sacrifices in the dome'". he shows, if there were any doubt, precisely why he isn't the man for the job. The Millennium Experience needs a pragmatist, not a poseur.

Bayley may have left a bad

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Crowded world

Sir: Nicholas Schoon's article on population, "The world won't be overcrowded after all" (12 January) has an implied agenda that population growth is bad. Why?

Often those parts of the world with the highest population growth are sparsely populated compared with the UK. It is the rich in the West that consume 10-50 times the resources per capita of the poor in the South. If we believe there are not enough resources, we need to reduce our consumption and encourage an economic agenda not based on growth, before the developing world catches us up.

The real agenda for "population control" is that we have a surplus of people for our economic machine, and that the poor should be eliminated because it does not need them. What it is unacceptable to say about Jews and Gypsies, we can still promote for the poor.

The answer, if we want one, is economic. Increasing the standard of living reduces family size. Children of the poor are an extra pair of hands in the effort to survive and social security for old age. Education, literacy and family planning help, but as people become richer, children turn into an expensive liability.

ANDREW PRING
Bradford, West Yorkshire

Sir: A further 3.5 billion increase in population during the next 50 years has enormous implications for the economic and environmental stability of the world, as well as for those individuals unfortunate enough to live in countries where the population is expanding rapidly. Countries such as Egypt are horrendously over-populated already and can only get worse.

The world will be overcrowded by mid-century, and the fact that the population will fall towards the end of the century is scant consolation to those who will suffer in the meantime.

MATT WALKER
Abingdon, Oxfordshire

Sir: Too often, when the state enters the bedroom, chaotic results. This is clearly evident in western Europe, where state-funded abortion and contraception have reduced fertility rates to below replacement rate. This is the direct cause of the age imbalance which means that, for thirtysomethings like myself, there will be little if any state

pension - because there will be fewer workers to pay for it. China is not an overpopulated country - it simply suffers the legacy of a disastrous political experiment which leaves the state unable to provide the same healthcare and resources available to those in liberal capitalist economies. The Chinese solution is a programme of virtual infanticide and the fact that it is little commented on in the West should be a source of shame.

The right to found a family is a human right which belongs to parents, not governments.

PAUL ATKIN
Edinburgh

Welfare reform

Sir: A new "affluence test", under which women at work might lose their maternity pay unless they could prove that they need it, would introduce an extraordinary and dangerous new principle into public policy ("Blair on mission to

12 January).

Ministers have obviously been frightened by the determined opposition they faced on lone-parent benefits and rightly fear that if disablement benefits were to be cut that opposition would be much stronger.

But to target better-paid working mothers would be absolutely contrary to the proudly proclaimed adherence to family values and the need to persuade highly qualified women to go back to work.

Moreover, if this is done

should not everybody have to pass a similar "affluence test" before they can call upon the police if they are burgled, or use the NHS, the schools system or any service provided by local authorities?

The only explanation for what is being proposed now is that the Treasury, recognising the urgent need for more resources, has come forward with this idea, instead of reducing

explain welfare reform", 12 January).

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The only explanation for what is being proposed now is that the Treasury, recognising the urgent need for more resources, has come forward with this idea, instead of reducing

wasteful military expenditure or facing the inevitability of higher levels of income tax on those who can afford to pay it - options which have been so foolishly ruled out, but to which the Government will have to return.

TONY BENN
London W1

Voting for women

Sir: Kamlesh Bahl, chair of the Equal Opportunities Commission, gives the impression that the current legislation does not permit mechanisms to ensure equal treatment of men and women in the selection of candidates by political parties (letter, 2 January).

In fact, as she later points out, the reality is that the law is unclear. Following the tribunal case on Labour's all-women shortlists the EOC took further legal advice. Once again they were advised that the selection of party candidates was not subject to the Sex Discrimination Act and was therefore

lawful. The most recent Marischall ruling in Europe supports the view that mechanisms to bring about gender balance are permissible under European equal treatment laws.

The Scottish Parliament and Welsh Assembly are both new bodies and the parties are able to choose mechanisms which ensure that women have an equal chance of being elected. Equal treatment mechanisms such as "zipping" (alternating men and women on a list) and twinned constituencies which select a man and a woman, do not give priority to women over men. However they would prevent the new bodies perpetuating the current male domination of politics.

At present the parties, and the EOC, seem to be worried about the possibility of a challenge to equal treatment selection procedures by a man. If the parties do not adopt these or other mechanisms to ensure women are treated equally there is now an even greater possibility that they will face a

case of sex discrimination brought by a woman.

SHELagh DIPLOCK
Director, The Fawcett Society
London EC2

Muslim schools

Sir: Having lived for a while in Northern Ireland, I am firmly of the mind that separate schools for different religious groups aggravate tension and perceived differences.

It may sound reasonable for

Muslims to want to maintain

their culture and religious

differences (report, 10 January),

just as xenophobic whites do. In

fact, xenophobic whites will

probably welcome the decision

to encourage separate Muslim

schools and hope all Muslim chil-

dren will go to them. It does not

however help the integration of

communities that is essential if

we are to reduce future trouble.

We should have no state

funded schools based on religion.

M. JONES
Gloucester

ALEX SAKULA MD FRCP
Hove, East Sussex

Out of surgery

Sir: The "surgery" may well have been a suitable description for the workplace of the surgeon-apothecary (forerunner of the modern general practitioner) who in days gone by carried out major and minor surgical procedures on the premises. Nowadays, when all significant surgery is performed in hospital, the appellation "GP's surgery" is gradually being replaced by the "health centre", "medical centre" or, as in the United States, the "doctor's office".

If the term "surgery" is outmoded in the medical context, how much more so is this the case when borrowed by Members of Parliament to describe the place where they interview their constituents. The time has come for this anachronistic and gory title to be dropped and replaced by a more suitable name such as "MP's advice centre" or "MP's consultation bureau".

ALEX FEAKES
ROBIN RILEY
Hove, East Sussex

Sir: If, by some fluke, London Underground manages to get the station that is scheduled to open in time, would it not be better if we knew, for ever more, as "Millennium"? The current name for the station, "North Greenwich" is uninspiring, unmemorable and inaccurate.

There have been many events and some fantastic buildings commemorated by nearby stations - Bartcan and Monmouth are good examples.

What better (or cheaper) way could there be to leave a permanent memorial? The Crystal Palace no longer stands, but we are reminded of it when we travel let's do the same for the Millennium Dome.

ALEX FEAKES
ROBIN RILEY
Hove, East Sussex

DIANE COYLE
ASIA'S FAILING ECONOMIES

"Iliterate, sir?" said Kirkup. "There's more ways of learning things than out of a book sir. And people who can't read sometimes have better ideas than those who can."

"Indeed?" said Sir Basil. "Then come up with a good idea for disposing of this body." "Certainly," said Kirkup. "Rub 'em out" leave my body to metallurgy" on the label, write in "I leave my body to metallurgy" and send it all round to the London Metal Centre."

"By Jove," said Sir Basil, "I think you've got it!"

"Well, I can't see exactly how this post-modernist tale is going to end yet, so we'd better have another episode tomorrow. Don't miss it!"

Still, there's more to life than

when a panic hits the financial

markets, becoming irrelevant

and the sudden collapse in the

Hong Kong stock market.

And a contest could never

be won by a

Donald Macintyre

REWRITING HISTORY

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A contest Gordon Brown could never have won



DONALD
MACINTYRE
RE-WRITING
HISTORY

In politics, the past is seldom another country. Every relationship, every alliance, every enmity, is shaped by what went before, but they never forget. Each new revelation about the murky facts of the succession to Harold Macmillan in 1963 still has the power to excite Conservatives, and that was a generation ago. How much more potent therefore are the recollections of the big epoch-changing events of the recent past. So the claims advanced on Gordon Brown's behalf in Paul Roulledge's new biography of the Chancellor about Tony Blair's accession to the Labour leadership will resonate, MPs will dissect endlessly the contentions that Peter Mandelson and Alastair Campbell had shown they were ready to wage a dirty war against his candidacy, but that Brown's sacrifice in standing down was even greater than it seems because Brown could have beaten Blair had he chosen to run.

We should take no notice whatever of the ritual disclaimer by the Brown camp of the Roulledge biography. There is no reason whatever to question the dust jacket claim that it was written with the Chancellor's "full co-operation". Roulledge, author of several good biographies, including an outstanding one of Arthur Scargill, is too experienced and too skilled a reporter (being one of a select few political journalists to have among his other assets the old-fashioned one of an excellent shorthand note) for this to be other than an authentic and diligently researched account of the analysis proffered by Gordon Brown, or those who spoke for him, of what took place in the aftermath of John Smith's tragic death in May 1994. The question therefore is whether the analysis itself is correct and not whether Roulledge's impeccably sourced version of it is accurate.

Most reporters who were in the Commons lobbies that deep emotional morning of 12 May were struck by how frequently Tony Blair's name passed the lips of Labour MPs – including some on the left – as the potential leader. This newspaper, without the benefit of any Mandelson's black arts and without in any way calling the outcome, reported the following morning that Blair had already edged out in front. (The following day Mandelson did brief – that Brown's candidacy should definitely not be written off). But this was of course an utterly unscientific judgement. What were more scientific were the opinion polls published that weekend which showed that Blair was significantly ahead among the public. As Roulledge himself acknowledges, three national opinion polls published the Sunday after John Smith's death showed Blair between 11 and 15 points ahead of Gordon Brown and John Prescott. And this was not just among floating voters, important as that was. In at least

one of these, Blair, at 24 per cent, was nine points ahead among Labour supporters over his nearest rival John Prescott at 15 – with Brown just one point behind at 14. The electorate, of course, do not pick the Labour leader. But the 1990 Tory leadership contest had demonstrated the huge influence of public opinion on MPs in their choice of leader. And this, don't forget, was a party aiming to win after 15 years in opposition. Ten days later, moreover, a *Scotsman* poll of MPs in Scotland, where Brown could be expected to do best, showed that while 15 out of 42 MPs firmly supported him (compared with only six firm Blairites) another six styled themselves as Brown supporters who would prefer him to stand down in favour of Blair. Finally, an *Independent*-BBC poll of trade union levy payers also showed Blair well out in front.

Despite all this the Brown camp continue to insist that at the time Brown bowed out of his campaign, manager-designate Nick Brown had a list of 120 Brown MP supporters and that the Shadow Chancellor could have defeated Blair if he had chosen to. This wasn't the view taken by Chris Smith who is quoted in John Rentoul's biography of Blair as saying the overwhelming wish of the Parliamentary Labour Party was for Blair and not Brown to stand, or of David Blunkett who is quoted in Jon Sopel's rival biography as telling Blair that the leadership was his if he went decisively for it, or of Tories who expected – and feared – Blair as leader.

Anthony Seldon's biography of John Major, citing authoritative Downing Street and Conservative Central Office sources at the time, says the first reaction to John Smith's untimely death was sympathy, second – and gruesomely – that it had "stuffed Herza" as a potential Tory leader, given Michael Heseltine's own previous heart attack; third, that it would "obviously" let Blair in and this would mean "far greater problems" for Major. The implication of the pro-Brown analysis is that Brown might have picked up some left-wing support for an all-out attack on "the upper-class, public school-educated Tony Blair". But then it is highly probable that if Brown had run, his old rival Cook would have done too – with unpredictable consequences on the left.

Brown has been, and continues to be, a gigantic figure in the modernisation of the Labour Party and of Britain. He is astoundingly secure as an indispensable Chancellor who punches distinctively above his weight in the Cabinet and remains the powerful joint custodian of the Government's credibility in the markets. For several years, moreover, his intellectual fertility and deep Labour roots made him the senior partner in the relationship with Blair.

Had the modernisers put up a candidate after Neil Kinnock stood down in 1992 it is highly probable that it would have been Brown rather than Blair. But politics are endlessly fluid. For many reasons – some of them utterly beyond his control, such as the fact that as Shadow Chancellor he was forced to take unpopular decisions to extract Labour from its addiction to tax and spending, while Blair was able to shine as Shadow Home Secretary – the climate had changed by 1994. Charles Clarke, the MP who was once Neil Kinnock's adviser, may have been harsh when he said that perhaps it would have been better if Brown had run for the leadership and had been beaten. But to perpetuate the myth that he could have defeated Blair does Brown himself little service. It may even damage his hopes of eventually succeeding as Prime Minister. Blair was always easily the frontrunner, and not even the supernatural qualities routinely ascribed to Peter Mandelson could ever have changed that.

We have nothing to fear but panic itself



DIANE
COYLE
ASIA'S FAILING
ECONOMIES

Financiers are not immune to mass hysteria – in fact, they are unusually prone to it – and psychological channels are hugely important in the spread of financial panics. Bankers and investors are not so much speculative wolves acting on their finely-honed calculations as greedy sheep panicking about being left behind by the rest of the flock.

Still, there comes a point when a panic in the financial markets becomes too serious to dismiss as being all in the mind, and the sudden collapse in the Hong Kong stock market fol-

lows the collapse of one of its banks suggests that upheaval in Asia has got to that point. There is no doubt that it is going to cause a lot of real pain in the former Tiger economies.

The question now is whether this will become a global crisis as well as an Asian crisis? And if so, what shape is it going to take? The answer is that the crisis probably is going global, but in unexpected ways.

There is no shortage of Chicken Licken running around at the moment, in the City and the press, reaching for words such as "crash", "slump" and "meltdown". These are the people who prove that it doesn't take brains to jump up and down, just legs.

It is essential to remember that it is possible to tell Asians apart. Two countries – Japan and China, including Hong Kong – make up a fifth of the world economy and matter crucially to all the rest of us. Japan is in the throes of a truly awful banking crisis with many of its financial institutions bankrupt. This has been true all through the 1990s, and the Japanese government is only just biting the bullet of using taxpayers' money to weed out the duff banks and bad loans.

Luckily, Japan can afford

this. It is a very rich country with a strong industrial base. Its corporations are profitable, its people wealthy and its crisis containable. It can probably ride out the collapse of confidence.

Hong Kong by itself is in a similar position. Its economy is fundamentally sound, although it is a far smaller place looking very exposed to the chill winds sweeping the region. China is another matter. Although information is scant, its banking system looks pretty shaky and it does not have the cushion of prosperity that might tide it through a crisis. A question mark hangs over its ability to stay insulated from the turmoil.

The other affiliated Asian countries, especially South Korea, are already in an utter mess. Much to everybody's surprise, after a decade's worth of hype about this dynamic region, it turns out that its companies have scarcely ever made a profit and its people's increased prosperity has been bought on tick. The bill is now overdue and there seems no end in sight to the downward spiral of confidence in their financial markets.

Luckily for us, although Korea is – or was – a big economy, it's nowhere near as big as Japan. Its GDP last year was

equivalent to about five times Shell's sales, for example. So any spillover is unlikely to come mainly through real economic channels.

We have had an exaggerated view about the importance of Asian economies to the rest of us. True, Japan has been a big investor in the UK, but last year it was only ninth in importance, behind several smaller countries, including Norway and Australia. British exports to Korea have grown rapidly, but in 1996 it still accounted for less than 1 per cent of the total. Particular companies will suffer because of the impending Asian recession. But more important will be the potential financial panic effects.

These need to be kept in perspective. For more than a year many experts have thought that shares on Wall Street had soared beyond any reasonable value and could fall severely before they started having real repercussions. In the judgement of Stephen Lewis, one of the City's most experienced analysts: "The first 2001 points of any decline in the Dow Jones index would be not much more than truth."

However, he and other pessimists now reckon the current crisis has the potential to be

The package holiday: good for you, and great for the world



Bargain price for a place in the sun: Britons on holiday in Benidorm compare the costs of their two-week holidays



SIMON
CALDER
HOW BEST
TO TRAVEL

"Travelling is bad, tourism is disastrous" – so asserted John Rentoul in this space yesterday. But going on holiday can do the world some good, as well as doing you a power of good, too. The real surprise is why so few of us take advantage of the world's best travel bargains: only 14.5 million of us – one in four of the UK population – will this year take a package holiday. For my money (and you don't need much of it) a place in the sun is a product that Britain makes better than any other country.

Consider: anyone earning the average UK wage can buy a seven-day Mediterranean holiday for a week's pay, £350 will buy you an excellent package in Benidorm. You will fly from a convenient airport on a state-of-the-art charter aircraft, enjoying food and entertainment of higher quality than you would find on most scheduled airlines (or, for that matter, John Rentoul's train to Bournemouth).

Upon arriving at the bright-stylish airport at Alicante, you could set out to explore the in-

land treasures of one of Spain's least-known provinces. Oroya might simply climb aboard the holiday company's coach and head down the *autopista* to Benidorm, where you sprawl out on the beach for a week of well-deserved indulgence lubricated by tea like Mim makes it, lager like San Miguel makes it or paella like Pedro makes it.

That was my summer holiday, anyway, which I shared with about half-a-million other Brits. Benidorm does tourism better than any other resort on earth, and has ploughed back the profits into self-improvement.

Padding softly along the broad arcs of fine sand lapped by a brochure-blue sea, you may recall that the town was allegedly, an unspoilt fishing village until the advent of mass tourism three decades ago. Were it ever such, you could expect to find the tangled streets of the old town filled with dispossessed fisherfolk bemoaning the way that mass tourism has massacred their heritage.

You will search in vain, partly because so many Spanish people have done so well from tourism (the industry that fuelled the magnificent post-Franco national resurgence) but mostly because the location appears singularly ill-suited as a base for fishing. (A serious harbour can be found just along the coast at Villajoyosa, and jolly unspoilt it is too.)

Natural resources in Benidorm, as in so many other resorts, are so scant that the only industry that could sustain itself there is tourism. The same goes for our other favourites: were it not for people like me, Tenerife would be just a barren volcanic outcrop. Instead, it is a barren volcanic

outcrop with tens of thousands of tourists aboard, having the times of their lives to the detriment of none. Pile the apartment blocks high, sell the fares cheap, and Europe's weary working folk will beat a flightpath to your prom.

And who has the right to deprive us?

The environmental lobby, you could respond. "We pack into large metal boxes which burn unimaginable quantities of fossil fuels to transport us thousands of miles," writes John Rentoul. Yes, we do, because a combination of well-run tour operators (those mass-market companies that have survived what have had to be good and cheap) and government subsidies make it worth our while.

I welcome the efficient utilisation of aircraft that keeps fares so low. And from self-interest, I am delighted by the duty-free allowances that represent a hidden subsidy from government to traveller. But as a European citizen, I recognise the absurdity that means we pack into large metal boxes clutching plastic bags bursting with unimaginable quantities of booze and cigarettes. This, though, is the last summer when travellers who happen to travel from one EU country to another by air rather than by car or train will get a duty-free entitlement.

When, on 1 July 1999, the duty-free shops close their doors to intra-EU flyers, the price of a package holiday could climb by £5 or £10. Airport charges may rise to compensate for lost shopping revenue, and air fares could increase when airlines lose the right to sell duty-free goods at huge profit margins. It's been fun while it's lasted, but there

is no ethical way to justify shutting thousands of gallons of spirit and millions of cigarettes across Europe because of some arcane, pre-jet age taxation anomaly.

And don't stop there, urges John Rentoul: "One measure the Conservative government should have been congratulated on, rather than pilloried for,

was imposing an airport tax. The only trouble was that it was not enough. "We travellers are not unreasonable. It is hard to argue that air travel should be immune from taxation: what Ken Clark was, rightly, pilloried for was creating a poll tax with wings. Air Passenger Duty hits you for the same £20 whether you are flying economy to Zurich (£99 return before the tax kicks in) or travelling on the world's most environmentally indefensible form of transport, the £7,000 round-trip to New York on Concorde. Lebanon is not usually noted for its enlightened fiscal policy, but the way first- and business-class passengers pay more tax at Beirut airport appeals to us packagers, prone on the beach at Benidorm.

I use the word "product" advisedly. After 30 years of half-baked, half-built mistakes that you expect from any growing concern, mass travel is now maturing into an industry fit for the new millennium. Seize the day, grab your passport, and join me on the beach.

Enclave tourism, as practised so effectively on the Costa Blanca, is one thing; independent travel is quite another. If you contend that the main purpose of travel is to meet people, then excellent ways to do it include boarding the bus from

THE PIANO SALE

For almost two hundred years, Chappell of Bond Street has been London's premier music store. Now, our January Sale offers remarkable reductions on our huge range of grand and upright models, selected from the world's finest pianos.

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19/BUSINESS

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FINANCIAL JOURNAL OF THE YEAR

Pressure mounts in US against IMF bail-outs in Asia

Political opposition is mounting in the United States to the multi-billion rescue packages for the troubled Asian economies being co-ordinated by the International Monetary Fund. Mory Dejovsky in Washington asks if the US-backed bail-outs could be derailed, as high-level delegations continue to tour the Far East, touting offers of financial support and recipes for financial stability.

Opposition to US support for the IMF rescues comes from both ends of the political spectrum. From the right comes the view that "you can't buck the market". Accordingly, the market should be allowed to determine what happens to the Asian economies, not the IMF or the US administration. From the right, too, comes long-standing distrust of international institutions, particularly ones that cost the United States money that seems out of proportion to the benefits.

From the left comes the view that the much-proposed budget surplus - which the Central Budget Office forecasts for 1999 at the earliest - should not be squandered in advances on rescuing feckless foreigners. Why should the US bail-out the mainly private bankers and investors whose irresponsibility arguably precipitated the present crisis, and why should the US be pouring money into countries that are economic competitors? If money is available, it should be used for social programmes at home.

Support for anti-IMF views comes also from some economists, in the US and in Asia, who argue that the rigour and discipline urged by the IMF are not suitable medicine for Asia. Jeffrey Sachs, director of the Harvard Institute of International Development, is one of the most vocal critics, arguing that the IMF solutions have actually aggravated Asia's financial crisis. Other analysts ask where economic prescriptions end and politics begins.

"Should the IMF carry out structural reform?" asked Michael Zelenziger, a

Tokyo-based US analyst. "Should it be telling President Suharto to go? Should it be telling government cronies in Indonesia or South Korea to get out of the trough? I'm not sure that it should."

Yesterday, Michel Camdessus, the managing director of the Washington-based IMF, and a senior IMF delegation were in South Korea and are expected in Indonesia shortly. The US Treasury's chief trouble-shooter, Deputy Secretary Lawrence Summers, was in Singapore with a delegation of his own, headed also for Indonesia, Thailand and South Korea. And the US Defence Secretary, William Cohen, who had co-opted a Treasury adviser specialising in Asian economies and another from the State Department to travel with him, was in Malaysia, with a 12-day itinerary ahead of him that includes the same countries, plus Japan and China.

The aim of the IMF delegation is to examine what progress has been made in the economic reforms it has recommended. The purpose of the US delegations - distilled from advisers' statements - is to convince the Asian countries that the US "is a friend and support in good times and bad", to persuade them to implement "sound policies that can promote confidence and stability", but most of all to "shore up confidence" in the region and prevent any further dramatic slides. Mr Cohen has the additional brief to judge what can be salvaged from the millions of dollars' worth of defence orders that could be lost to US industry.

US concerns are twofold: the first - and the one that most concerns Mr Clinton both immediately and in the long term - is the possible effect on the US economy if the Asian economies, particularly those of Indonesia and South Korea, do not respond to the treatment prescribed by the IMF. The second, which is likely to make itself felt later this month, is the force of opinion - in the public at large and in Congress - which is uniting against US involvement in the Asian rescues. In comparison with the panic that gripped Indonesia last week, this potential domestic revolt in the US appears minor, but it threatens to grow.



Small investors monitoring the Hong Kong Stock Exchange morning trading yesterday. Hong Kong's blue-chip Hang Seng index was savaged at the opening, with a sell-off slicing more

than 10 per cent off share prices. Shares were driven down by a prime rate hike, collapse of the Peregrine Investments group and the widespread market crisis. Photograph: Reuter

Peregrine collapses in East Asian turmoil

The collapse of the Peregrine Group, Hong Kong's largest home-grown financial conglomerate, was confirmed yesterday. Stephen Vines reports from the former British colony on the rise and fall of a high-flyer.

When the Peregrine Group was founded, just under 10 years ago, it was widely seen as being the brightest and best connected kid on the financial services block. In just a couple of years the group looked set to fulfil this early promise.

Picking up the pieces after the world-wide stock market collapse of 1987, Peregrine was a driving force in attracting international attention to the promise of Far East markets. It played a big role in the development of China's capital markets, and helped generate the excitement which sent share prices surging in other Asian emerging markets.

Bucked by some of Hong Kong's most prominent tycoons, notably Li Ka-shing and Larry Yung, the most powerful Chinese mainland businessman based in Hong Kong, Peregrine scooped up the cream of the initial public offering business and gathered a string of blue-chip clients. Before it collapsed yesterday, Peregrine had become the biggest

home-grown Asian financial conglomerate outside Japan. It was founded by Philip Tose, the son of a former managing partner in the blue-blood stockbroker's Vickers da Costa, and Francis Leung, who was well connected with the mainland Chinese-associated companies which became the darlings of the Hong Kong stock market in the mid-1990s.

Typically Peregrine established itself in Asian countries by forming good relations with the leaders of these nations. Many of them liked the outspoken views of Mr Tose who declared himself to be a advocate of autocracy. He spoke the language of authoritarian governments liked to hear. None more so than the rulers of Indonesia where Peregrine ultimately met its fate by advancing a short term loan to a transportation company called Steady Safe, which has connections with Indonesia's ruling Suharto family. The \$260m unsecured loan to Steady Safe was equivalent to more than a quarter of Peregrine's shareholder's equity.

It is still not clear why Peregrine made such an extraordinary commitment. The loan was brokered in the fixed income department headed by Andre Lee, the Korean white kid, recruited from Lehman Brothers. Andre Lee was regarded as a star whose judgement was vindicated by the small fortune he earned for Peregrine. As a god of the bond market he was left to his own devices. Outlook, page 19

UK fund managers steer clear

More evidence emerged yesterday that the continuing Far Eastern turmoil has started to filter through to the UK economy. UK fund managers are shying away from the troubled region, according to the latest Merrill Lynch Gallup survey, and the crisis has also begun to impact upon the London housing market.

UK fund managers have become bearish on Hong Kong and Singapore for the first time since the crisis began, according to Gallup and Merrill Lynch.

Bijal Shah, global strategist at Merrill Lynch, attributed the "sell" stance in countries in both Singapore and Hong Kong to two factors.

First, companies in both Singapore and Hong Kong are exposed to smaller countries, such as South Korea, with serious economic problems. Second, both Singapore and Hong Kong have taken an aggressive interest rate stance in an attempt to defend their currencies.

"It seems as if the contagion is spreading outwards", commented Mr Shah.

According to the survey, bearish UK fund managers outnumbered bullish ones by 11 per cent in Hong Kong and 18 per cent in Singapore.

There was also evidence that financial turmoil in the Far East had tempered the London housing market boom, according to Savills, the upmarket estate agent.

The value of Central London properties rose by more than a fifth last year, as buyers rushed to snap up new homes, bringing back memories of the 1980s housing boom. But Savills believe Central London prices will rise by just 4 per cent this year.

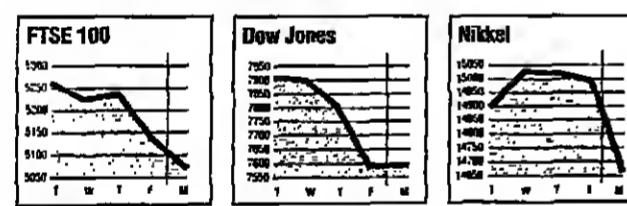
But, in the longer term, Savills predicts the commercial property market will shrug off the conspicuous lack of Far Eastern buyers and should continue to grow strongly in 1998.

Aubrey Adams, managing director of Savills, said yesterday: "London surged ahead much faster than expected this year and the Far East will slow growth but the market should still continue to grow. For commercial property the Far East is not a factor with the bulk of activity coming from UK funds. There should be strong growth in the commercial sector for the next eighteen months at least."

Savills profits rose by more than a third to £4.1m for the six months to October however its shares slipped 4p to 124p.

- Leo Paterson and Andrew Yates

STOCK MARKETS



Dow Jones index and graph at 5pm

Indices	Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	5068.00	-69.80	-1.35	5367.30	4056.60	3.34	
Dow Jones	4799.60	-55.00	-1.34	4961.80	4384.20	3.25	
Nikkei	2444.70	-33.50	-1.35	2570.50	2021.30	3.32	
FTSE All Share	2669.92	-31.83	-1.18	2677.68	2018.14	3.30	
FTSE SmallCap	2629.50	-19.00	-0.61	2407.40	2121.10	3.30	
FTSE Financials	1265.50	-7.60	-0.60	1345.50	1225.20	3.30	
FTSE AIM	7598.39	-5.48	-0.06	8293.03	6356.78	1.81	
Dow Jones	7598.39	-5.48	-0.06	8293.03	6356.78	1.81	
Nikkei	14694.44	-330.66	-2.21	20110.79	14488.21	1.04	
Hang Seng	5121.06	-773.58	-1.47	16220.31	8721.09	5.22	
Dax	10672.00	-149.86	-1.35	14455.89	2947.31	1.77	

Contagion spreads to take further toll in Hong Kong

The turmoil in the Asian financial markets spread to Hong Kong yesterday as nervous investors drove share prices down to their lowest point in almost three years in the wake of official confirmation of the collapse of Peregrine Group, Hong Kong's largest home-grown financial conglomerate. Stephen Vines, in Hong Kong, and Dinne Coyle, in London, report.

Interbank rates touched 20 per cent during the day, confirming the worst fears of yet another rise in prime rates which in turn threaten to further weaken the property sector which dominates the Hong Kong stock exchange.

By the end of the morning's trading the blue chip Hang Seng Index slumped to 7,909 points, a loss of some 11 per cent before it closed almost 9 per cent down at 8,121. The leaves the stock market at half the level it reached during the optimistic days of last summer.

"It's like sitting on the Titanic", said one harassed broker rushing out of Exchange Square which houses the stock exchange. Inside, the market makers

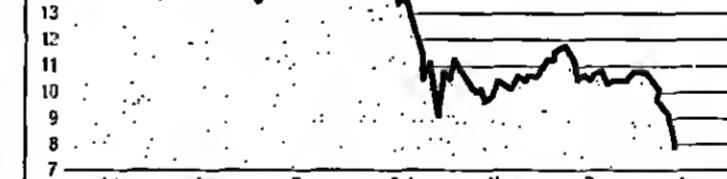
were pondering how much damage would be inflicted on the property market as interest rates moved relentlessly upwards.

After last Friday's interest rate rise, the mortgage rate hit a six year high. "What the market is now coming to grips with is the question of affordability", said James Osborn, the director of sales at ING Barings Securities in Hong Kong. He believes that with interest rates at current levels existing borrowers will have difficulty maintaining repayments while potential home purchasers will shy away.

Hong Kong's interest rates are high because the government protects the local currency through a currency board which defends the Hong Kong dollar's fixed link to the US dollar by squeezing liquidity out of the market at times when the local currency comes under pressure. The main weapon in its armoury is interest rates. Pushing rates up as high as 300 per cent, at one point during the crisis, both makes the Hong Kong dollar an attractive as an investment and makes it hard for speculators to acquire because the cost of short-term borrowing is prohibitive.

However, as Sir Donald Tsang, Hong Kong's financial secretary, freely admitted over the weekend, preserving the US dollar link causes a great deal of pain in the form of high interest rates. "We all reckon it's the price we have to pay for the stability we need", he said.

Hang Seng - price index



Yesterdays Tung Chee-hwa, the Chief Executive, stressed that the link "definitely" would not be changed, "we have the determination and the ability to continue the link". He said: "Without this link Hong Kong's stock market and financial market would be in a state of chaos".

Since October the currency board which backs the link has survived stiff tests with the result that the Hong Kong dollar has emerged from the crisis as the only freely tradable currency in Asia to have avoided even the smallest amount of deflation.

Hong Kong foreign currency reserves have actually increased since the crisis began and the high rates of interest in the local currency have helped keep Hong Kong dollar deposits high. It therefore seems unlikely that any

thing will shake the fixed link, at least for the time being.

Confirmation of Peregrine's pending liquidation came after the stock market closed yesterday. It followed the collapse of last ditch talks with an unnamed white knight. At the end of last week the Swiss based Zurich Group walked away from a deal to take a 24 per cent stake in Peregrine which is believed to have incurred losses of as much as \$600 million, equivalent to almost two thirds of its shareholder's funds.

Tom Grimmer, Peregrine's spokesman, said that "various parties are interested in a number of divisions" of the failed company. Investors in Peregrine funds managed to get their money back yesterday.

The biggest stock market impact of

the Peregrine collapse was felt by China associated companies. Francis Leung, one of Peregrine's founders, had been known as the Godfather of so called Red Chip listings, having handled most of the bigger issues. Red Chip investors took flight, sending the index which tracks these listings, down by over 21 per cent.

All support levels for the Hong Kong stock market have crumbled. "I think we're in no man's land," Mr Osborn said.

In London and other European stock markets share prices moved in reaction to the overnight Asian movements and in anticipation of another sharp decline on Wall Street. The nervous tone was set as much by Friday's share price fall in the US, when the Dow Jones index lost 222 points, as by the overnight slump in Hong Kong and Singapore.

In early trade the US market, too, fell sharply. But it recovered in time to repair some of the earlier damage in London.

The FTSE-100 index ended nearly 50 points lower at 5,068.8, having recovered from a drop of 150 points to well below the 5,000 level at one point. The index closed yesterday just 40 points lower than a month ago.

The Dow fell fast on opening and was as much as 133 points lower at one stage. By late morning it had climbed back to 7,583.66, a gain of 3 points.

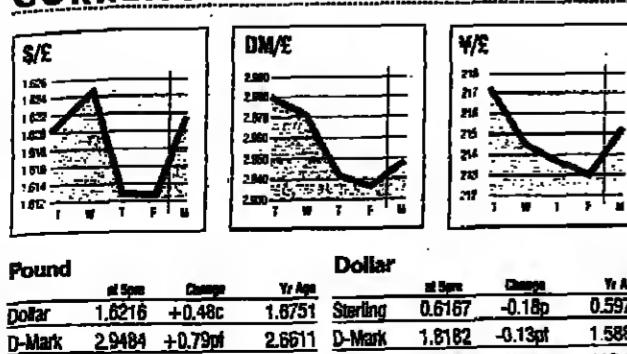


Work at DMG's HQ in Finsbury Circus, London may be merged with Deutsche's commercial banking division

MAIN PRICE CHANGES

Rises	Price (p)	Chg (p)	% Chg	Falls	Price (p)	Chg (p)	% Chg
Tate and Lyle	535.00	18.50	3.58	Net Grid	271.00	-44.00	-13.97
Acorned Armer	2025.00	65.00	3.32	Inchcape	137.50	-15.50	-10.13
Skypharma	57.00	1.50	2.70	Govt Oriental	81.5	-5	-5.78
WH Smith	432.50	9.50	2.25	Danske Bus Syst	245	-14	-5.41

CURRENCIES



OTHER INDICATORS

Index	Close	Chg	% Chg	Index	Close	Chg	% Ch
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THE INVESTMENT COLUMN

EDITED BY ANDREW YATES

The virtues in a conglomerate

Fund managers may hate conglomerates, but Tomkins yesterday put up a pretty good argument in favour of diversification. Forget chairman Greg Hutchings' argument that because all the businesses are manufacturers they can all be run the same way. No, the real reason for being a conglomerate is that when some of your businesses have a bad year others do well.

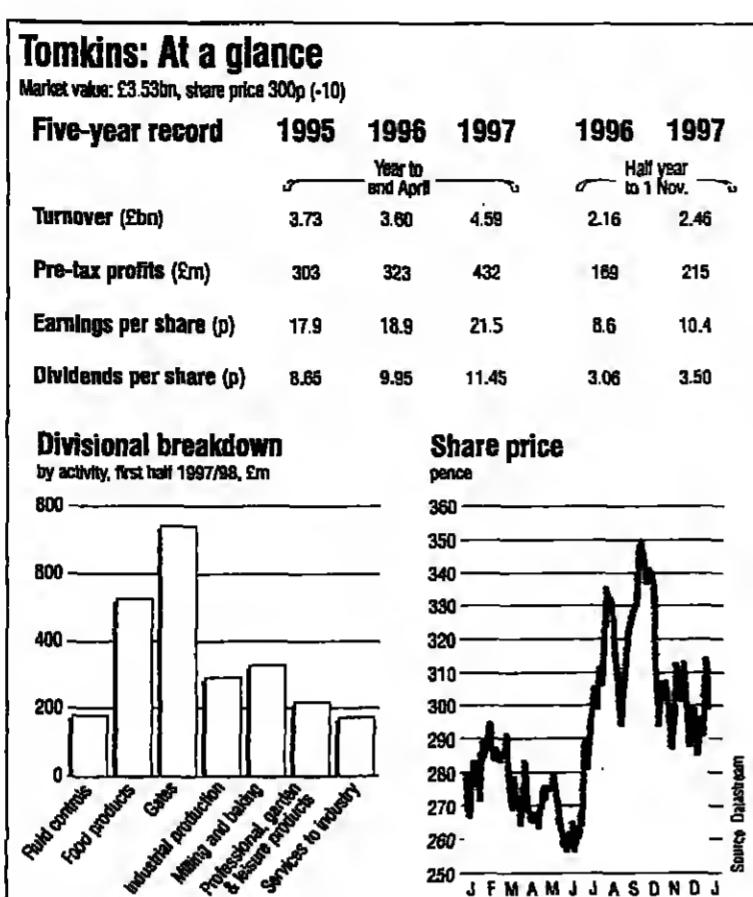
Which is precisely what happened to Tomkins. Performance from fluid controls and building products, as well as its professional division – which includes struggling bicycle manufacturer Murray and Smith & Wesson, the handgun maker – was pedestrian. But by virtue of storming results from the food and newly created automotive polymers divisions, Tomkins was able to maintain its famously unbroken record of profit growth. Adjusting for the fact that the previous half year lasted a week longer than this time, earnings per share rose by a fifth.

On other financial criteria, too, the group can hardly be faulted. It is particularly good at turning profits into cash, churning out 17.7p of free cash per share in the six month period. This still easily covers the interim dividend, which was humped up by a healthy 14.4 per cent to 3.50p.

Can Tomkins keep this up? The City clearly thinks not. A similar record for a company in, say, the media sector would produce a sky-high share price rating. But now that Tomkins has been forced to give up its search for large, underperforming companies in unrelated areas the belief is that the growth will dry up.

Tomkins maintains that it can continue to expand by bolting businesses on to its existing operations. It says it has identified several opportunities which, when combined with the remaining £40m worth of shares it still has to buy back, would take its balance sheet from a net cash position of £188m to the 15 per cent gearing target it has set for itself. If the deals don't come off, Tomkins will simply buy back more shares.

Given the City's growing attraction to debt, that position is still far too conservative. Tomkins, however, won't be shifted. And as long as it continues to



deliver growth, investors cannot afford to be too critical. Analysts are looking for full-year profits of about £495m putting the shares, down 10p yesterday to 300p, on a pitifully low forward p/e ratio of just 11. Fashion can be taken too far: Tomkins deserves better.

Patent problems at Pace

Two profit warnings, the departure of a chief executive, and shares worth just a third of their flotation price; you would have thought things couldn't get any worse for Pace Micro Technology. But they just did. Already the most disastrous new issue of recent years, the satellite-TV decoder maker yesterday reported worse-than-expected losses and set aside £10m in provisions. The shares slipped 8p to a new low of 37.5p.

Malcolm Miller, the newly installed chief executive, must have expected more. But rather than proclaim the

havre new dawn of digital television he first had to clear up the mess his predecessors had left. It seems the previous management decided not to set aside any cash for royalty payments on intellectual property used in digital satellite decoders. Now the owners of said patents are asking for their money, and the company has had to put away £5m to cover the liability. Even though the final settlement should be there, this does not bode well.

Other nasties included a £4m write-off after CanalPlus, the French media group, took over one of Pace's customers in continental Europe and rendered Pace's stock worthless. There will be more to come in the second half once the group decides how many jobs and offices it has to cut to reduce costs.

A final worry is Pace's balance sheet. The group claims to have over £10m in the bank, but this was largely achieved by calling in debtors and not paying creditors – the £581,000 interest charge for the half suggests the group is still carrying some borrowings.

With all the bad news now hopefully

out of the way, Pace may eventually stage a recovery when it gets the benefit of the BSkyB set-top box order next year. Long term, however, it's still possible that larger competitors will obliterate Pace altogether. Still one to avoid.

Mulberry sinks into the red

Mulberry may specialise in designer luggage and fancy soft furnishings but its share-price performance has been very much a cheap and nasty affair. Floated at 153p in autumn 1996, they reached an elegant 214.5p within the first six months but have been sinking like a stone ever since. The bombshell came last month with a profits warning caused by poor Christmas trading and the effects of the strong pound, which has affected tourist spending in London.

The grim tidings were confirmed yesterday with half-year figures showing Mulberry sank further into the red with a £720,000 deficit compared with the previous year's £480,000 loss. The shares gave up a further 5.5p to 64.5p.

The strength of sterling alone has cost the company £4.4m while sales in its accessories division have fallen by 5 per cent. In Japan, the company may have to seek another distributor as its current one has announced financial problems.

Mulberry has cut payroll costs by 10 per cent. A pay freeze for staff and a 12 per cent pay cut for directors will also save further funds. But the outlook does not look too encouraging. Though trading picked up in the last two weeks before Christmas, it was not enough to rescue the figures, which are still running well below budget.

The company has warned that the strong pound will continue to hit profits while the weakness of key European economies is another problem. Mulberry made much of its aim of £50m sales at its flotation but that looks some way off. Without that critical mass, the group's cost structure will make it difficult to get the double-digit margins enjoyed by rivals.

On revised forecasts of £900,000 for this year, the shares trade on a forward rating of 22 falling to 14. Given its poor track record Mulberry still looks too expensive.

Watchdog to crack down on late pension contributions

Thousands of employers are committing criminal offences by failing to pay contributions to pension schemes on time. As Andrew Verity reports, the crime is especially prevalent in exactly the type of scheme that the Government wants to offer to low earners.

Opra, the occupational pensions regulator, said pension scheme actuaries had blown the whistle on more than 2,000 employers that were breaking the law by putting off payments to pension schemes and failing to treat them properly as employee pay.

John Hayes, Opra's chairman, said the regulator would begin fining trustees of schemes where employers persisted in delaying contributions.

"They are under the cultural illusion that somehow the employer's contributions are just another creditor to be paid when you are flush with cash.

They will be dismused of the notion that it is their money. Once the money has been deducted it is the employees' money. It is not theirs to muck about with," he said.

Companies such as Grand Metropolitan, before last year's merger with Guinness, have scrapped money purchase pensions because the rebates paid by the DSS to the schemes are so small they cannot cover administration costs.

Norwich Union, Sun Life and Scottish Amicable, three of the leading providers of defined contribution schemes, have all stopped offering them, saying rebates are too tight to make the schemes viable. They are encouraging members to join personal pensions instead.

Pension experts insist that private pensions are unlikely to give low earners better benefits than Serps, the second state pension created in 1978. They fear even large-scale schemes will not be viable unless sales costs are cut by compelling every worker into a private scheme.

Colin Steward, secretary of the Joint Working Group on Occupational Pensions, the industry body which negotiates with the Government, said:

"There is a considerable amount of scepticism as to who is going to come forward and actually provide stakeholder pensions. People on low incomes can't afford to put any money aside anyway – whether it is going to be cost effective or not."

Servisair shares dive on profits warning

Shares in Servisair, the airport ground handler, plunged by a quarter yesterday after the company warned that accounting changes, the mild weather and the loss of an important customer would hit profits. The warning sent the shares down 65p to close at 200p, wiping £26m off Servisair's value.

The company, Europe's largest independent ground handler, said 1997 profits would include a charge of £475,000 because of changes in the accounting treatment of Heathrow Cargo Handling, its joint venture with Air France.

the £14m worth of business Servisair does with Air UK.

Results this year will also be reduced by around £1.2m because of changes in the law relating to profit-related pay and an increase in pension charges.

Servisair made pre-tax profits of £7.1m in 1996 on sales of £1.54m and analysts had been pencilling in profits of £8m for 1997 and £10.1m for the current year. Despite the loss of work from Air UK, the company said it anticipated satisfactory growth in underlying trading this year.

– Michael Harrison

Further flops hit AIM's reputation

Yesterday was a bad day for the Alternative Investment Market after one of its members went bust and another announced it had been forced to put its UK business into receivership.

Andrew Yates reports on the growing number of business flops which have tarnished the junior market's reputation.

First Information, the distressed CD-Rom manufacturer, has been forced to apply to the courts for an administration order as it is unable to satisfy its creditors and cannot secure new funds.

The group's collapse, comes less than two years after it joined the AIM market.

First Information was floated at 165p in March 1996 by KPMG, one of the country's largest accountancy firms. Charhouse Tilney, the brokers, also advised on the group's entry to AIM. The management team, lead by shareholder James Edmonds and including Michael Rodd, a former presenter of BBC's *Tomorrow's World*, predicted fast-growing sales of its FlagTower CD-Roms.

However, just months later

the group was forced to admit that sales had fallen well short of flotation forecasts. Since then the group being battered by the slump in the demand for CD-Roms due to poor demand and intense competition.

"This flop is another embarrassment for AIM. KPMG and Charhouse Tilney must share a lot of the responsibility for this and should hold their heads in shame," one City fund manager said. First Information's shares were suspended at 225p yesterday.

Rising losses has also forced Crown Products, the giftware group, to call in the receivers at Hunkydory, its UK subsidiary, putting 85 jobs under threat.

Floated at 50p by Brook Corporation Finance of Birmingham in 1995, its shares have been suspended last Friday at just 17.5p.

Hunkydory had a contract with Disney to make anything from Winnie the Pooh mugs to pencil cases adorned with Beatrix Potter characters. However, under chairman Michael Hughes, Crown Products over-reached itself after embarking on an acquisition spree.

The casualties are the latest in a long line of business flops which have tarnished the reputation of the junior market. Recent flotation such as Omni-media, another CD-Rom group and Reflec, which makes reflective inks, have also been a disaster.

Former managing director serves writ on Save Group

Dean Overton, the former managing director of Save Group, the petrol retailer, has served a writ on the company claiming "substantial damages" for breach of contract. Mr Overton was dismissed by the company on 8 November for "gross misconduct". He claimed yesterday that the company's objective was "to avoid paying compensation at all costs". He said he had not been paid his contractual notice pay and other benefits. Save Group was unavailable for comment last night but last week chairman James Frost wrote to shareholders explaining the reasons for Mr Overton's dismissal. He claimed Mr Overton had dismissed two long-serving Save employees who subsequently had to be paid compensation. Mr Frost also said Mr Overton wrote threatening letters to licensees who were suspected of opening their stations late.

CSFB buys up BZW Asia

Credit Suisse First Boston has bought parts of BZW Asia, the subsidiary of UK banking giant Barclays, for an undisclosed price, extending its reach in Asia's securities business. CSFB said it would hire about 200 of BZW Asia's 700 employees. It is buying BZW's Hong Kong investment banking, mergers and acquisitions and equity capital markets businesses as well as some parts of its equity sales and research businesses. The businesses being sold had net assets of £14m.

Siemens agrees chip plant

Siemens, the German electronics and engineering giant, yesterday confirmed a 1.5bn German marks (£510m) joint venture with Motorola of the US to build a state-of-the-art computer chip plant in Dresden. The factory will develop the next generation of chip technology, which will cut production costs by 30 per cent. Siemens said research and development costs would total DM1bn, with a further DM450m invested to create around 450 new jobs.

Shell completes Tejas deal

Shell, the Anglo-Dutch oil group, has completed its \$1.45bn (£900m) deal to merge its American gas transportation and storage business with Tejas Gas Corporation, one of the US's largest gas pipeline owners and operators. The merger, first announced in September 1997, has been approved by Tejas shareholders. The new company will use the Tejas name but will become an affiliate of Shell's US business.

Energis to supply Lunn Poly

Energis, the business telecoms group which floated on the stock market last month, has secured a £4m contract with the travel agents chain Lunn Poly, part of the Thomson holiday group. The deal involves Energis offering voice telephone services to Lunn Poly's 794 shops across Britain. Energis has concentrated its attack on providing services to retail chains, media groups and Internet providers.

W Morrison plans account

William Morrison Supermarkets is launching a bonus savings account in conjunction with Midland Bank, paying interest of up to 6 per cent in total. The account, to be launched on 17 January, can be opened with a minimum of £1 at any "Midland at Morrisons" outlets in the chain's supermarkets. Midland, the UK commercial banking arm of HSBC, launched outlets in Morrisons stores in May 1997.

From Monday January 5th until Saturday February 28th, the following establishments are offering readers a two course lunch or early evening supper for just £10 per person.

THE INDEPENDENT INDEPENDENT ON SUNDAY

Valid between Saturday January 10th and Friday January 16th

Name _____

Address _____

This voucher entitles the holder and all members of their booking to participate in The Independent/Corran Restaurants £10 lunch offer.

The offer is available 7 days a week at all six restaurants

* Closed from 6pm on Sunday Offer not available after 6pm on February 14

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
Cannell Laird (I)	10.5m (14.5m)	1.33m (1.14m)	5.2p (5.9p)	1.4p (1.0p)
Bills & Everset (I)	364.1m (321.8m)	16.5m (15.6m)	12.8p (11.7p)	3.5p (3.3p)
Plytex (F)	£1.32bn (1.25bn)	£5.4bn (4.85m)	10.51p (8.75p)	2.28p (1p)
Latitude (I)	2.1m (1.7m)	0.402m (0.649m)	3.17p (4.84p)	n/a
Pace Micro Tech (I)	88.5m (117.8m)	-12.3m (10.2m)	-5.8p (3.2p)	0.2p (0.9p)
PWS Holdings (F)	10.85m (10.53m)	1.07 (0.752m)	2.22p (1.65p)	0.75p (0.65p)
Savills (I)	36.1m (24.1m)	4.08m (3.02m)	6.2p (5.0p)	1.25p (1.0p)
Tomkins (I)	2.48m (2.16m)	21.49m (18.88m)	10.37p (8.62p)	3.5p (3.08p)
Yead Group (I)	14.14m (8.25m)	2.85m (1.22m)	7.53p (3.22p)	2.0p (1.0p)
(I) - Final (I) - Interim				

Confidence at companies at

Financial markets are more positive than at any time in recent years, say the experts.

The survey, conducted by

Coopers & Lybrand, shows

that

the

positive

outlook

for



Lessons from Asia in money and miracles

Just when you thought it was safe to wander out in financial markets once more, the Asian crisis hits again – this time in Hong Kong, or Hong Kong as our pages rather unfortunately managed to refer to the former colony yesterday. This might seem odd because of all the little economies around the Pacific Rim, Hong Kong's remains one of the more credible. At this stage it still seems unlikely that Hong Kong will be forced into a position where it has to surrender its dollar peg – the key to its economic success and present safe haven status in the region.

The currency board system introduced to Hong Kong in the early 1980s has survived worse crises than the collapse of Peregrine, so why should it crumble now? The obvious riposte is because Hong Kong cannot afford to maintain the peg when all around are devaluing with such abandon. But neither could this special administrative region withstand the collapse in international confidence and property values that would flow from devaluation. Hong Kong is damned if it does, damned if it doesn't, damned to recession if it clings to the peg, and to economic oblivion if it dismantles it. Of the two, the former would seem the lesser evil.

Even so, the damage involved in maintaining the peg under present circumstances is obviously bad enough. Part of it is a plummeting stock market, for if the currency cannot respond to the pressures around it, something else has to give.

The biggest danger would appear to be that of recessionary conditions sweeping

from Hong Kong into China. That would make present guesses about the damage crisis in the Far East is doing to the world economy look worryingly optimistic. Add to this growing signs in the US of political opposition to the International Monetary Fund's package of aid to the region, and to the tops being handed out like confetti by the US, and the situation begins to look very serious indeed.

No wonder policy makers and bankers are looking anxiously around for signs that the contagion sweeping South-east Asia might spread to other emerging markets too. The parallels between Latin America, Eastern Europe, the Indian sub-continent, even Russia, and the stricken economies of the Far East, are obvious and many. In all these regions, growth has been heavily dependent on foreign capital, attracted in by tales of fabulous returns and limited currency risk.

A self-feeding emerging markets industry has developed around the business of directing capital into these regions. European bankers last year became the largest group of lenders to the Far Eastern economies, but what they've sunk into the Pacific Rim is modest compared with Eastern Europe and the former Soviet Union. It is also chicken feed set against US investment in Latin America. There is a danger, then, that the speculative bubble of the Tiger economies is just one of many.

For the time being, Wall Street seems determined to turn a blind eye to this possibility. Fears yesterday that Friday's precipitous plunge in the Dow would turn into a rout were eventually vanquished. And

to be frank, Armageddon still doesn't look like the most likely outcome. With luck, the bubble is not yet sufficiently far advanced in Eastern Europe, Russia, India and Latin America to be capable of the damage caused in the Far East.

If so, bankers and investors should count themselves lucky, for they now at least get the chance to learn some lessons. One of these is that Eldorado doesn't exist; there is very little that is miraculous in this world, especially when it comes to money. A second is that capitalism needs to be accompanied by democracy and adequate regulation of financial markets and corporate institutions if it is to function effectively. Nobody in their right mind would think of investing in a company in the developed world which didn't file accounts. Why do they feel so inclined to do so when it comes to emerging markets?

Unfortunately, another aspect of capital is that memories tend to be short – about as long as the next leg of the business cycle to be precise. The Far East may have taught bankers to be wary of other emerging markets, but like earthquakes, there will always be speculative bubbles.

NatWest needs a new helmsman

Gone are the days when the board of a clearing bank was the size of a male voice choir. But even today you still need a decent number of chaps and chapesses to run the shop and few of our clearers seem com-

fortable rubbing along with anything less than a rugby team's worth around the board table. The board of NatWest is below strength right now, having lost two members recently, and seemingly they may be about to lose another brace if the rumours about Sir John Bamham and Sir Desmond Pitcher are true. Only one replacement has so far been found, Pen Kent.

NatWest is therefore in the market for up to three new non-execs. One of them, when he (or she) has been found, will succeed Lord Alexander as non-executive chairman, if everything goes to plan.

Despite weekend press speculation to the contrary, that person will not be Sir Colin Southgate, who had been approached about adding the chairmanship of NatWest to his stewardship of EMI and the Royal Opera House. Sir Colin appears to have decided that he has enough on his plate spinning more life out of the Spice Girls, merging the ROH with the English National Opera and doing battle with Gerald Kaufman before the Select Committee on Culture, Heritage and Sport.

The names of several other candidates have been aired in recent months without any firmer insight into whether they will be offered the job or indeed want to accept it. They include Sir Andrew Large, former chairman of the Securities and Investments Board, Sir Clive Thompson, chairman of Rentokil-Initial and soon to become president of the CBI, and Sir Nigel Rudd, chairman of Pilkington and Williams Holdings.

Many are called, few are chosen, as they say. But the notable thing about those called

by NatWest is that none has any record as a banker. Sir Nigel Rudd comes closest, being a non-exec of Barclays. There again neither did Lord Alexander have any experience of banking before he took up the mantle at NatWest in October, 1989 promising (or was that threatening?) not to stay in the job for any longer than 10 years.

Perhaps that is where NatWest has gone wrong. Lord Alexander may have made a wonderful libel lawyer for Jeffrey Archer but his record as a non-banker at the helm of NatWest is mixed. By contrast Lloyds TSB, by far the most successful of the four main clearers, has been run for 15 years by a professional banker, Sir Brian Pitman, who has worked for the bank man and boy. The same goes for Sir William Purves and John Bond at HSBC.

The succession timetable at NatWest runs something like this: appointment of new non-execs in time for the prelims in February. Lord A announces his retirement at the interims in August and departs a year hence, handing over the reins to his chief executive, Derek Wanless, and turning the chairmanship into a non-executive part-time post. This is how chairmen like to go – not seen to be driven out by discontented shareholders but at their own pace.

Unfortunately, it is not clear NatWest can afford such a leisurely departure. It needs new direction right now. Furthermore, if Mr Wanless is to emerge from the shadow of his chairman and prove that he is the professional banker to run NatWest, then Lord Alexander should make way more quickly.

Output dip casts doubt on prospect for rates rise

Manufacturing output fell unexpectedly in November but retail sales bounced back in December. The continuing mixed signals on the economy left expert opinion as divided as ever about whether or not interest rates will rise next month. Diane Coyle and Nigel Cope report.

There was support for almost any view about the British economy's prospects from yesterday's batch of surveys and statistics. Official figures showed that industrial production fell by an unexpectedly steep 0.6 per cent in November. Much of this was the fault of warm weather cutting energy output, but manufacturing also declined by 0.4 per cent.

Although its annual growth rate remained unchanged at 1.5 per cent, manufacturing has been virtually flat since July. The sector makes up just one-fifth of the economy, but its weakness suggested that fourth-quarter GDP will show a slowdown.

Analysts said yesterday's disappointing figures indicated the impact of the strong pound on exports. For the first time higher value industries such as engineering, which do not compete on price alone, were starting to slow down markedly.

Separate figures for prices paid by manufacturers for materials and charged by them at the factory gate showed that

inflationary pressure at the start of the prices pipeline remained extremely subdued in December.

However, there was evidence that profit margins might have increased. Producer output prices jumped 0.4 per cent last month, taking their year-on-year change up a shade to 1.0 per cent. Prices paid for inputs fell 1.4 per cent during the month to a level 9.5 per cent lower than a year earlier.

Economists said some companies were using strong demand at home partially to offset the squeeze on profit margins. But figures for retail price inflation, due today, are expected to show a small fall in the target measure.

There was more evidence for the strength of home demand in the latest survey of the high street. The British Retail Consortium reported a surge in December sales after a weak November.

Sales rose 7.9 per cent last month, according to the survey, or 4.8 for a like-for-like basis, compared to just 4.4 per cent (1.1 per cent like-for-like) the previous month.

The figures showed a month of two halves with sales in the first two weeks continuing at November's weak level before a last minute surge in the last week before Christmas. Sales were particularly strong in the final four shopping days.

Next, the high street and mail order fashion group, provided further cheer for the retail sector with better than expected figures. It said retail sales in the 31 weeks to 24 December were 16 per cent higher on 11 per cent more sales space.

Confidence among financial companies at two-year low

Financial services companies are more pessimistic about prospects for their business than at any time in more than two years, according to a survey by the Confederation of British Industry.

The survey, conducted by Coopers & Lybrand, showed optimism about business prospects was at its lowest level since September 1995 – despite a year of booming sales. Of 230 companies surveyed, a quarter had lost confidence.

David Sayer, partner at Coopers & Lybrand, said: "The most striking feature is that overall profitability rose strongly, yet there's been a negative effect on confidence."

Festive spending cheers leisure industry

The leisure industry appears to have enjoyed a happy Christmas. Jarvis Hotels, the mid-market hotel operator, yesterday revealed that turnover had risen 23 per cent, and like-for-like sales were up more than a fifth, in the run up to Christmas and new year.

John Jarvis, chairman and chief executive of Jarvis Hotels, said: "Unlike some of the apparent high street retail experience, our customers seemed to determine to enjoy the holiday season."

The group has enjoyed bumper bookings due to the trend for firms which have had to cap wage rises instead rewarding employees with Christmas parties. There is also evidence of strong growth in the short break market, with more people going away for the festive period, especially between Boxing Day and the New Year.

As if to confirm this, the Personal Investment Authority yesterday gave itself the power to ban directors from working in the industry as from 18 May.

– Andrew Verity

Walking holidays and murder mystery weekends are proving extremely popular as more Britons eschew a traditional family Christmas.

Jarvis is also close to making its first big acquisition after announcing it had a £100m war chest at its disposal on unveiling its interim results in November.

"A deal is imminent. We are close to buying a major hotel with health and fitness centre in a big city. It will be the first of many acquisitions," said Mr Jarvis.

The good news is not confined to the hotel sector. Old English Pub Company, the pub and coaching inn operator, is in need of a decent set of trading figures to calm investors' nerves. Diageo, the Grand Metropolitan and Guinness combine, could also give an update on sales and how the Far East financial turmoil has hit profits.

– Andrew Yates



On the up: Pubs and hotels are reporting buoyant trading for December

BSkyB confirms launch of digital TV this summer

Digital satellite television will be available before the end of June, BSkyB confirmed yesterday. The announcement eased investors' fears that regulatory hold-ups and delays in manufacturing the satellite decoders necessary to receive the service would force the broadcaster to postpone the launch. Peter Thal Larsen reports.

BSkyB said the hardware and software developments for the decoders were on track to allow the launch to take place in the second quarter of 1998. It had previously aimed to start the 200-channel service in the late spring.

The announcement came too late to salvage BSkyB's

share price, which had slipped 12.75p to 432p earlier in the day. The slide was prompted by comments from Pace Micro Technology, one of the four manufacturers chosen to supply the decoders for BSkyB's service. The group said it would not supply any decoders to BSkyB before the end of its financial year in May.

That view was echoed around the industry. Another BSkyB decoder supplier said that it would take at least five months to start producing boxes from when the broadcaster placed its order. "Given that time is critical they had better get on with it," the supplier said. Although BSkyB has selected Amstrad, Panasonic, Matsushita and Pace to supply the decoders, it has not given any firm orders and manufacturers have yet to set up their production lines.

However, observers were sceptical about the claims, suggesting that manufacturers had given incentive to pressurise

BSkyB into placing its order. Meanwhile, BSkyB is understood to be ready to provide all the subsidy required to reduce the cost of the set-top decoders to below £200. The majority of the subsidy, which amounts to about £200 per box, was originally supposed to be borne by British Interactive Broadcasting (BIB), the interactive entertainment joint venture between BSkyB, British Telecom and Matsushita.

But BIB, which is planning to launch its service in the autumn, is still awaiting regulatory clearance from the European Union competition authorities. Although it is eventually expected to win clearance, it cannot authorise the subsidy for the decoders until approval comes through. Without the subsidy, meanwhile, suppliers are reluctant to start manufacturing.

BSkyB is now understood to be proposing that it guarantees the full subsidy on the boxes, and that BIB pays it back when it achieves regulatory approval.

THE INDEPENDENT

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– Watch it and Quake!



Savage Earth from Warner Vision Video is Granada TV's critically acclaimed natural disaster documentary series.

The video comprises of four episodes, *Heavily Crust, Restless Planet, Out of the Inferno* and *Waves of Destruction* cover three and a half hours of astonishing footage in one video.

Filmed in China, Columbia, Mexico, Japan, New Zealand, The Philippines, Italy, India, Iceland and USA, Savage Earth features the eruption of Mount St Helen, earthquake destruction in California and Japan, the unpredictable moods of volcanoes and the havoc caused by the tsunami waves around the Pacific.

– Nigel Cope

Investment column, page 20

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Western markets remain resilient to bouts of Asian flu

MARKET REPORT



DEREK PAIN

Once again it was the crash that never was. Although shares fell sharply in early trading, the forecast Hong Kong hurricane failed to rip through the stock market and with only a little selling Fpsois ended just 69.5 points lower at 5,068.8.

For a time it looked as though equities would be hammered. The index fell 150 points and appeared to be in danger of going much lower. But once it became clear New York would not, at least during London hours, suffer another slump, shares picked up.

The market's resilience was, in part, due to the remarkable way it has recovered from previous bouts of Asian flu. With earlier, often frightening, setbacks quickly shrugged off there is a natural hesitancy to sell into a market weakened by overnight developments.

The tumult in the Far East, which Datastream/ICV calcu-

lates has wiped £665bn from the nine main Asian markets since October, has so far had little lasting impact on western markets; London and New York still remain within striking distance of their peaks.

The latest Asian tension occurred as Merrill Lynch's regular fund managers survey showed a preference for European equities. Three out of four believe London shares are fully valued, although 43 per cent are bullish on a year's view.

Nycomed, the Anglo-Norwegian healthcare group, blissfully ignored the gloom with a 65p gain to 2,025p. Domestic stocks such as J Sainsbury and share buy-back candidates like United Utilities and Thames Water were others to push ahead.

Allied Domexx recovered a 17p fall to end 10p higher at 532p as murmurs of some form of corporate activity were heard again.

Another to enjoy a somersault was Dixons, the electrical retailer. Off 27p, largely on worries about tomorrow's trading statement, it closed with a 6p plus to 388p as a more positive attitude became apparent.

Once again groups with Far Eastern connections took some flak although Standard Chartered turned 56p fall into a 2p gain at 549p. HSBC ended 11p off at 1,368p after falling 7p in the early mayhem. Cable & Wireless continued its decline to 1p at 487p but international trader Inchcape ended at its day's low, off 15p to 137.5p. Five years ago the shares were riding at 632p.

British Aerospace, lowered 53p to 1,734p, was hit by talk Far Eastern airline orders may be shelved.

BT took another pounding, falling 8.5p to 171.5p, lowest for eight years. Tomkins, despite profits ahead of

expectations, fell 10p to 30p. Analyst comments had little impact. Cadbury Schweppes fell 6p to 639p, ignoring Goldman Sachs support. Salomon Smith Barney enthusiasm for generators National Power and PowerGen left the shares off 5p to 639p and 11p to 812p respectively.

But BZW left BSkyB off 12.75p at 432p and ABN Amro Hoare Govett support swel-

led sugar group Tate & Lyle, up 18.5p to 535p, an all-time peak. The shares have come up from 400p since August and although prospects have improved there is a sneaking suspicion the group, which once resisted nationalisation attempts by Old Labour, is in a predator's sights.

The usual array of disappointing statements appeared. Searcislair, an airline support group, dived 65p to 200p after a profits warning. Jeweller Theo Fennell dropped 7p to 25p after saying disappointing Christmas trading would hit profit and Pace Micro Technology lost 8p to 37.5p following yet another profits warning.

There were also encouraging statements. Supermarket chain Wm Morrison, IT operator Triad and shipbuilder Cammell Laird were among those to make headway. B Elliott, the old machine

tool group now a specialist engineer, is the latest non-Footer to attract a bidder. The shares jumped 20p to 93.5p after the company confirmed an approach.

EW Fact, the accountancy tuition group, edged ahead 4p to 65.5p. There was vague talk of bid action. BPP, unchanged at 517.5p was one name in the frame.

KS Bloedix firmed 1.5p to 115p. It has developed three antibodies for colon cancer. Details of other projects are thought to be in the pipeline. Emerald Energy was busily traded. The price firmed 1p to 7.25p in a near 22 million share turnover. The company continues its Colombian oil programme but the depth of the drill means progress is slow. There are hopes of a development report next week.

A £5.2m property disposal hardened Estates & General 4.5p to 80p.

TAKING STOCK

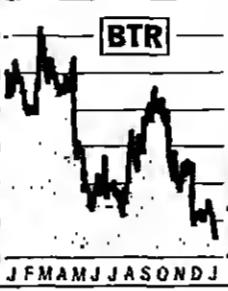
Megalomedic, headed by Maurice Saatchi, gained 3.5p to 63.5p. Landau Enterprises, owned by the Saatchi family and friends, picked up 100,000 shares at 59p, lifting its stake to 43.1 per cent. There is speculation Mr Saatchi could descend on the Saatchi & Saatchi advertising group, split from Cordinant. SAS was little changed at 113p.

Deltron Electronics, a distributor and maker of electronic components, firmed 8p to 127.5p following a round of investment meetings. There are suggestions it will make a positive trading statement this week. Profits this year are likely to emerge at £3.3m, up from £2.7m, and there are hopes of £3.8m next year.

Alan Stagg, chairman of Lotteryking, providing lotteries for clubs, picked up 300,000 shares at 1.5p, taking his stake to 35.48 per cent. The price held at 2p.

Share spotlight

share price, pence



SOURCE: Bloomberg

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Why V
frailty



HAMISH
MCRAE

Share Price Data

Prices are in sterling except where stated. The yield is the latest twelve months' declared gross dividend as a percentage of the share price. The performance (P/E) ratio is the share price divided by last year's earnings per share, excluding extraordinary items but including dividends.

Other details: Ex rights x; Dividends x; Sustended p; Parity up x; P/E up x; P/E down x; Yield up x; Yield down x.

Source: Bloomberg

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as before

Stock Vol Stock Vol Stock Vol Stock Vol

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Standard Char 22,496,000 ADAZ Grp 11,27m Nat Grid Group 11,27m

Emrald Energ 22,479,000 Bt 8,21m Smiths Beach 8,21m

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Why we failed to read the signs of frailty and warn of East Asia's crisis



**HAMISH
MCRAE**
ON CONSEQUENCES
THAT COULD HAVE
BEEN FORESEEN

Why didn't we see it coming? Surely the greatest question raised by the East Asian financial crisis – greater even than the “how are they going to dig themselves out?” one – is why there was so little warning. Large numbers of supposedly well-informed experts completely failed to warn of the fragility of the East Asian economic region until after the event.

I find this unforgivable. Once it was clear there was a problem everyone leapt in. The credit rating agencies downgraded the debt to near-junk status, which is a lot of use since, by then, the debt was yielding junk returns. The investment banks warned their clients that they should expect more turbulence after those self-same clients had lost half their money. The official world you would expect to be useless, for officials are too frightened for their careers to be prepared to give what are inevitably disagreeable warnings. Local financial institutions, particular local banks, I would expect to be pretty cowed and bullied, so it is unrealistic to expect warnings to come from that quarter. But the foreign financial community ought to have seen something coming and it did not.

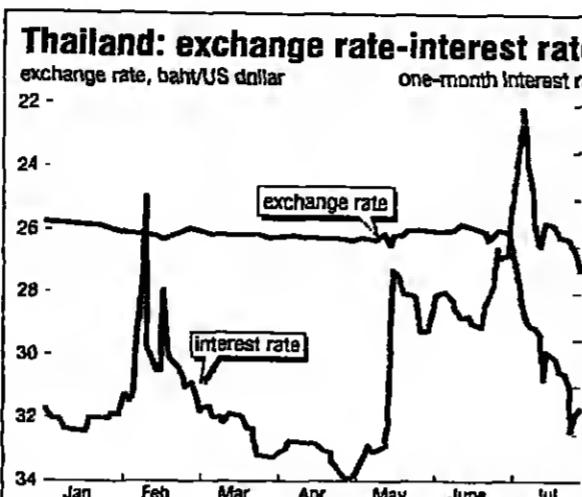
The only previous shock that came in such a completely unexpected manner was the first oil crisis in 1973/4. Though the Shell scenario planners had noted that a sharp rise in prices was possible they did not expect a quadrupling; nor did the Treasury VSOP committee (vast surpluses of oil producers) also formed a few months earlier to consider the financial consequences of an oil price rise.

By contrast, the third world banking crisis of the early 1980s might have come as a surprise to the lending banks but banking crisis always comes as surprises to the banks: quite a lot of other financial organisations were profoundly concerned by the growth of very low spread loans to Latin America.

So why was this one such a shock? The answer I think comes in three parts.

First, there is a structural weakness in the sources of information. Not many people follow the economics of East Asia, aside from Japan, and most of those that do work for financial institutions whose job it is to persuade investors to put their money there. The result was, at best, a lack of independence in the analysis and, at worst, actual corruption in that analysts were leaned upon by their bosses to see the sector through rose-tinted spectacles.

Second, because the underlying economic performance of the region has been so strong and in many cases for very good reasons, there was an assumption that even if something went wrong, the general growth of the region would ensure that mistakes could be overcome. The fact that some of the big investment projects in the region were clearly overblown (Malaysia building the tallest building in the world should have been a good “sell” signal) did not seem to matter because with 7 per cent growth the losses on a few bad investments would be more than offset by the profits of the good ones.



Third, there is a certain, shall we say, “tough-minded” attitude in the financial community towards little matters like democracy, free speech, social costs and political rights. Some people even argued that the region's success was the result of its focus on economic progress rather than political freedom, as though the two were incompatible. People with money to invest, rather like authoritarian regimes and the region, provided plenty of examples. The fact that authoritarian regimes are better at covering things up and therefore are ultimately more fragile than democratic ones was quietly ignored.

Was it then, really possible to foresee the crisis? I think I can demonstrate that it should have been. Have a look at the graphs. On the right you see Thai car sales – an interesting little picture dug out by the economists at Tokai Bank here in London. As you can see they fell off a cliff during 1997. But if you look closely you can spot that the fall started at the beginning of the year and was well in evidence by March. The currency and interest rates showed no real movement until well into the summer, though that spike in interest rates in the spring should have been a warning. Ideally the expert analysts should have been

looking at bank indebtedness and saying three years ago that there was a problem, but simply by looking at one indicator of consumer confidence anyone ought to have been able to spot that something was up. Three years' notice would have been wonderful but even three months would have been helpful, for it would have given more time for a rescue to be put together.

Having fun kicking the experts is a good sport but there are some really disturbing conclusions. Forget about the actual problems of East Asia, for they are at least now in the open and the collateral damage to the rest of the world economy has been limited. There have even been some benefits in the decline in pressure on commodity markets, especially oil. Focus instead on the weakness of our early warning mechanism.

Question one: Are there structural weaknesses in the quality of information about other economic matters? For example is there the same conspiracy of silence about the level of US equities or the possibility of a collapse of EMU? There is a bit of talk about both, though I am astounded at the way in which the dangers of EMU are not fully acknowledged on the Continent. Other people could doubtless name their favourite “no talk

zones” – dangers which are not properly discussed because to do so would be bad for business.

Question two: To what extent are values elsewhere dependent on a good general economic performance? For example, to what extent do public finances in the G7 countries allow for the next recession? The D-word, deflation, has moved into common currency, but the R-word, recession, is still hardly mentioned.

Question three: Are financial markets, in their self-confident view that their ideology is now the global standard, giving sufficient weight to the costs of establishing the market system in places with little experience of running it? If we were too tough-minded about the lack of democracy in East Asia, are we being too tough-minded about the costs of applying the market throughout Europe and North America?

I'm not really worried about East Asia. There will be a difficult three years and growth will resume. I'm more worried that we won't learn the lessons of the East Asian crisis: that we need honest, independent-minded people looking at every aspect of the world economy and being prepared to speak their mind without getting sacked when what they have to say does not fit the overly rosy house-view.

PEOPLE & BUSINESS

**JOHN
WILLCOCK**



It's an ill wind, so they say. The turmoil in Asian financial markets and the collapse of the Peregrine investment bank has British receivers licking their lips.

After all, the UK's liquidators have got sweet funny ads to do over here at the moment, since company receiverships in the UK are at their lowest since the mid 1980s. In contrast, most observers expect Peregrine to be just the first of a rich crop of corporate casualties out East.

Big names in British bankruptcy that sprang to prominence in our last recession, and who have been spotted in various parts of the Far East recently, include Colin Bird of Price Waterhouse, Stephen Adamson of Ernst & Young, Murdoch McIlroy of Arthur Andersen and Gordon Stewart of Allen & Overy.

It makes sense. They all have loads of experience of cross-border crashes, and the current Asian crisis has been sparked off by cross-border lending to places like Thailand and Indonesia.

Neil Cooper, a partner with Buchler Phillips in London, who has spent a long career specialising in multinational company collapses, said: “These days there's a wealth of (insolvency) talent in Hong Kong, which will be supplemented by shipping in more talent from London and Sydney.”

In the early 1980s it relied on immigrant labour, with people like me flying into Hong Kong to do the biggest jobs. I did those receiverships in Thailand once,” Mr Cooper added, with a hint of nostalgia in his voice. Buchler Phillips is opening an office in Thailand via its associate Ferrier Hodgson specifically to deal with the expected avalanche of insolvency and restructuring work, Mr Cooper said.

It's an old saying that timing is everything. I've just received a report from the Hong Kong Economic and Trade Office on the six months af-

ter reunification with China, which starts: “1997 was a momentous year for Hong Kong. There were sceptics who thought that it would bring changes to Hong Kong that would fundamentally alter its nature. How wrong they were.” Stick around. They might be right in 1998.

Just to put Hong Kong's problems into perspective, how about this sound bite yesterday from Japan's Ministry of Finance: “Japan's bank bad debts now total 76.7 trillion yen.” Even in yen that's a lot of money.

A “totally bald” lawyer is to run a marathon in the Sahara this year for charity under the banner: “Fat cat turns desert rat.”

The self-deprecating chap in question is Robin Spencer, a partner in the insolvency group at Lovell White Durrant. The barrister turned solicitor will run the 145-mile Marathon des Sables this March, and aims to raise £50,000 for the Variety Club Children's Hospital at King's College Hospital, London.

The run will take six days and will cross the sand dunes, river beds and palm groves of southern Morocco, where temperatures can reach 120 degrees Fahrenheit.

Mr Spencer, 39, is anything but a health nut, having only taken up running seriously last April. Since then he has been running 30 to 50 miles a week, a routine which has already brought his weight down from 13.5 stone to 11 stone and his resting heart rate down from 70 to under 50. Makes you sick, doesn't it.

He is also the only bald participant in the race. Mr Spencer's baldness is caused by the condition alopecia totalis - Duncan Goodhew, the swimmer, has the same condition. Mr Spencer believes it will be a positive advantage in the Sahara: “There are no hair washing facilities in the desert. Hirsute competitors may find this uncomfortable, given the heat and dust, whereas I will be restored by a quick wipe from a damp cloth.”

The new money market rate for the euro, which will replace Libor if we ever get round to a monetary union, will be called “Euribor”, according to Paribas yesterday. How very appropriate. I think we all know a few Euribors....

As the graduate recruitment season begins, the questions asked at interviews seem to be getting more and more bizarre.

The Diplomatic Service appear short of jokes, asking young hopefuls what makes them laugh. Management consultants are getting a particular reputation for mind-bending posers. According to Nicki Henrion, head of consultant recruitment at Boston Consulting Group, “Each person asked how many petrol stations there are in south-east London.”

Surprisingly, Ms Henrion claims interviewers know the answers to this type of question and they expect reasonably accurate answers, too. Sounds to me like taxi drivers have a bright future in consulting.

Foreign Exchange Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
UK	10000	10000	UK	10000	10000
Australia	2588	25862	Australia	2588	25862
Austria	20737	20699	Austria	20737	20699
Belgium	50000	50000	Belgium	50000	50000
Canada	22345	23068	Canada	22345	23068
Denmark	11255	1198	Denmark	11255	1198
ECU	14933	14861	ECU	14933	14861
Finland	82077	81861	Finland	82077	81861
France	9385	9334	France	9385	9334
Germany	23489	23163	Germany	23489	23163
Greece	46547	47159	Greece	46547	47159
Hong Kong	10000	10000	Hong Kong	10000	10000
Ireland	1833	1833	Ireland	1833	1833
Italy	20965	20954	Italy	20965	20954
Japan	21525	21515	Japan	21525	21515
Malaysia	7480	7462	Malaysia	7480	7462
Mexico	3220	3200	Mexico	3220	3200
Netherlands	32205	32000	Netherlands	32205	32000
New Zealand	23594	23230	New Zealand	23594	23230
Norway	23200	23200	Norway	23200	23200
Portugal	90128	90059	Portugal	90128	90059
Saudi Arabia	60000	60746	Saudi Arabia	60000	60746
Singapore	25078	25047	Singapore	25078	25047
South Africa	23382	23375	South Africa	23382	23375
Spain	24868	24832	Spain	24868	24832
Sweden	13035	13002	Sweden	13035	13002
Switzerland	23263	23263	Switzerland	23263	23263
US	16200	16200	US	16200	16200

Interest Rates

Country	3 mth	1 yr	2 yr	5 yr	10 yr
UK	7.25%	7.50%	7.75%	8.50%	9.50%
France	3.30%	3.40%	3.50%	5.50%	7.25%
Italy	5.50%	5.60%	5.70%	6.00%	6.30%
Japan	3.00%	3.10%	3.20%	3.50%	3.80%
Spain	4.00%	4.10%	4.20%	4.50%	4.80%
Sweden	3.00%	3.10%	3.20%	3.50%	3.80%
Switzerland	3.00%	3.10%	3.20%	3.50%	3.80%
US	4.00%	4.10%	4.20%	4.50%	4.80%

Bond Yields

Country	3 mth	1 yr	2 yr	5 yr	10 yr
Australia	7.25%	7.50%	7.75%	8.50%	9.50%
Canada	3.30%	3.40%	3.50%	5.50%	7.25%
France	5.50%	5.60%	5.70%	6.00%	6.30%
Germany	3.00%	3.10%	3.20%	3.50%	3.80%
Japan	3.00%	3.10%	3.20%	3.50%	3.80%
UK	3.00%	3.10%	3.20%	3.50%	3.80%
US	4.00%	4.10%	4.20%	4.50%	4.80%

Money Market Rates

Country	Overnight	1 week	1 month	3 months	6 months</th
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GOLF

Olazabal lightens step and takes giant strides once more

Intense, passionate, dedicated are all adjectives to describe Jose Maria Olazabal's approach to golf.

After 18 months out of the game with a foot injury, perspective can now be added to the list. Andy Forrester finds a relaxed Spaniard looking forward to the start of a new season next week.

There have been times when Jose Maria Olazabal has not always looked like he was enjoying himself on the golf course. These would be the days that reporters awaiting the Spaniard at the recorder's hut could expect to get more out of Nick Faldo in monosyllabic mode.

While Olazabal has the hands of an artist, and Faldo those of a (highly proficient) technician, the pair share one vital quality in the make-up of a champion, that of being a perfectionist.

Olazabal was down in the dumps after losing the 1991 US Masters to Ian Woosnam for so long that it was not until March 1994, after a sharp talking-to from Maite Gomez, the wife of his manager Sergio, that the complex Basque snapped out of it. He was slipping on a Masters Green Jacket only a month later.

But that season was the highest point of his career, the lowest followed from September 1995 when he had to quit the tour with a foot injury. An initial wrong diagnosis of the condition meant there were times he could not walk during the 18 months he was away from the game.

Such experiences change a person. "It has always been a pleasure to play golf, even

though I didn't look like I was enjoying it sometimes," he said. "It has always been a pleasure all my life to play golf, but it gives you a different feeling after what I have been through.

"After you have been 18 months without being able to work, then you start to appreciate the small things in life. Just to wake up, to stand on your feet having no pain, being able to work, play 18 holes and just look up in the air and see blue skies and trees all around you. These are very, very nice things."

Last week Olazabal was in a relaxed mood as he made a fleeting visit to the European Tour's Training School at San Roque. He talked as openly and warmly with the new recruits who will embark on their professional careers this year as he later did with the media.

It was the first time the 31-year-old had returned to the hotel where he was stayed as a member of the European team at last September's Ryder Cup. That triumphant week holds special memories for Olazabal, as does his victory in the Carnarvon Open, which was only his third event after resuming his career. "I cannot put one in front of the other," he said.

"Winning my third tournament was very emotional. On the 18th hole all the memories of those 18 months came to my mind and it is very difficult to explain what you feel. At the Ryder Cup, it was pretty much the same thing because I had to decline the invitation to play two years before. It was a wonderful week, not just for me but for Europe."

Olazabal was so overcome at the victory press conference that he broke down in tears. The memories of that week, he says now, are something "I couldn't put money on".

Money does not figure large in his list of priorities. "Material things don't mean

much to me. I have had a chance in my life to have the best cars, the best watches or whatever. But I have never had more than one car, I am always wearing the same watch. Family, I think is more important.

"I have been lucky in life to have wonderful parents and great friends. To be able to build a house with enough room to bring my parents to live there, that to me is more important than anything else. They have done a lot for me and now I am paying them back. That is what I really enjoy, to see them happy."

The reason for Olazabal's visit to San Roque was twofold. He is working with MacGregor on a new set of blade clubs, although no contract will be signed until he is entirely satisfied. And there was the chance for John Jacobs, the renowned coach who has been the only man Olazabal has ever trusted enough to take advice from, to look over his swing.

The session was positive, although Olazabal knows he needs to work on the takeaway at the start of a year, but it has been forced on him by the decline in opportunities to play in Europe prior to the Masters.

Olazabal, who still lives on the San Sebastian golf course where his parents worked, does not enjoy long trips from home. He does not want to go full-time on the US Tour, but feels improvements need to be made at home.

"I strongly believe that we need to improve the facilities and the conditions on the golf courses," he said. "I think that should be the priority and I think it is the priority for the people running the European Tour."

Money does not figure large in his list of priorities. "Material things don't mean



Olazabal enjoying the Ryder Cup - 'a wonderful week' - last September

Photograph: Reuters

Phil Mickelson survived charges by Tiger Woods and Mark O'Meara to win the Mercedes Championship by one stroke in Carlsbad, California, on Sunday. Mickelson moved up to fifth place in the world rankings issued yesterday, a jump of two places and his highest ever.

A tie for second place by Tiger Woods enabled Mickelson's fellow American to regain the lead from Australia's Greg Norman.

Mickelson, who began the final round with a one-stroke lead, recovered from a first-hole bogey to shoot a four-under-par 68 on the saturated La Costa course. He finished at a 17-under 271, while Woods and O'Meara both shot 64 to tie for second on 272.

"It was a pretty exciting day and a great way to start '98, because '97 in some respects was disappointing for me, even though I won two times," Mickelson said. He collected \$306,000 (£204,000) for his 12th PGA Tour victory.

Mickelson, who grew up in nearby San Diego and used to attend this tournament regularly, was not at his best, but seven birdies and three bogeys were enough to achieve his goal.

"I had one mindset," he said. "The only thought I had was to do whatever it takes to win and I kept thinking that throughout the round."

Woods, the defending champion, could not quite repeat, but he did enough to show everyone is likely be the player to beat again this year.

"I drove it great all week; hit my irons well," he said. "Unfortunately I had a four-putt and two three-putts. Other than that I'm very pleased with my game. All the things I've been working on feel very comfortable."

Rankings, Sporting digest, page 27

AMERICAN FOOTBALL

Bronc Steele

The Denver Broncos' survivors from last year's AFC Championship game have been given a chance to play in the Super Bowl.

They will meet the Green

Bay Packers, who claimed

the second consecutive NFC

Championship, defeating the

Philadelphia Eagles 24-10

at Lambeau Field on Sunday.

The Broncos were led by

quarterback John Elway,

who passed for 310 yards

and three touchdowns.

He was joined by running

back Terrell Davis,

who gained 140 yards

and scored two touchdowns.

Elway and Davis

will be joined by the

defensive line, which

was the best in the

NFL last year.

The Packers, who

had a 13-3 record

and won the NFC

Championship, will be

led by quarterback Brett

Farmer, who had

100 rushing yards

in each of his

last two games.

The two teams will

play at the Super

Bowl in Atlanta on

February 1.

For the first time

in the Super Bowl

the two teams will

have different

uniforms.

For the first time

in the Super Bowl

the two teams will

have different

uniforms.

PHILIPS



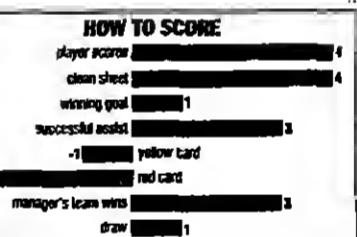
Today we publish the updated results of The Independent Fantasy Football League. The player scores are for all League games played until Sunday 11 January. The league table includes all scores up to 4 January 4. Neither set of scores includes results from the FA Cup. The manager who is the overall winner will win a trip to the World Cup finals in France this summer.

Every time one of your players score you get four points. There are four points for a keeper or a defender every time their team keeps a clean sheet. If a player scores the winning goal, i.e. if there is a one goal difference in the scoreline, the player scoring the final goal for the winning team is awarded 1 bonus point awarded in addition to standard goal related points. Each successful Assist, a pass judged by our experts to lead directly to a goal, will give a player 3 points. The opinion of our experts on the matter is final. Each player selected and starting a game will be awarded one point.

If a player is given a Yellow Card they lose 1 point, if a player is given a Red Card they lose 3 points. Own goals, either scored or conceded, do not count.

The Premiership Manager that you choose will be awarded 3 points if their real-life team wins, 1 point is awarded if they draw and no points are given if they lose.

Updated player scores and league tables will be published every Tuesday in *The Independent* and repeated the following Sunday in the *Independent on Sunday*.



INDEPENDENT FANTASY FOOTBALL

OVERALL SCORE CALCULATED ON MATCHES PLAYED FROM 8 AUGUST - 4 JANUARY

LEAGUE TABLE

CALCULATED ON MATCHES PLAYED FROM 8 AUGUST - 4 JANUARY

POS	NAME	TEAM	POINTS
1	Mr D Baker	720	
2	Mr B Srai	719	
3	Mr D Aston	719	
4	Mr B Srai	718	
5	Miss Lisa Wild	717	
6	Mr J McCrossan	717	
7	Mr Archer	717	
8	Mr S Scott	716	
9	Mr C King	716	
10	Mr P Tufts	716	
11	Mr D Evans	716	
12	Mr J Cox	716	
13	Mr I Boyle	716	
14	Mr A Wingrove	708	
15	Tony's Braces	708	
16	Mr T Lyons	708	
17	Mr D Edmington	705	
18	Mr D Aston	701	
19	Mr G Bell	701	
20	Mr G Bell	695	
21	The Hairy Monsters	694	
22	Rebel Rovers	694	
23	Linthorpe Rovers	693	
24	Jack's Lads	693	
25	Edmo United	693	
26	Billy Boy's 3rd II	701	
27	Stunning Smurfs	701	
28	The Dream Team	692	
29	Mr C Thomas	690	
30	Scunthrope Extras	690	
31	Dead Heat	690	
32	The Zebra	688	
33	Mr A Cunningham	688	
34	Mr M Evans	687	
35	Mr S Man	685	
36	Mr D McCarre	684	
37	Mr M Ward	684	
38	Mr S Walker	684	
39	Mr C Hempstead	684	
40	Mr A Choudhi	682	
41	Mr S Scott	682	
42	Team A 40	682	
43	Daniel's United	682	
44	Viva Baby Jo	682	
45	Look Lively	682	
46	Robert's Raiders	682	
47	I've Started But Will I Finish	682	
48	Mikes A Team	682	
49	Mr M Evans	682	
50	Mr A Mitchell	682	
51	The Eye For It	682	

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*currently out of management



Mickelson
able to ward
off Woods

AMERICAN FOOTBALL

Broncos bowl over Steelers to face Favre

The Denver Broncos survived a late comeback at Pittsburgh before winning the AFC Championship 24-21 on Sunday to take their place in the Super Bowl.

They will meet the Green Bay Packers — who claimed their second consecutive NFC Championship by defeating the San Francisco 49ers 23-10 at Candlestick Park — at San Diego on 25 January.

The Broncos were led by their running back Terrell Davis who gained 139 yards rushing — the first time this season the Steelers have given up more than 100 yards — and a touchdown. John Elway threw two touchdown passes in the final two minutes of the first half. That put them 24-14 ahead at half-time.

Pittsburgh, hosting their third AFC Championship in the past four years, fought back with Kordell Stewart throwing a touchdown pass with less than three minutes remaining.

He had opened the scoring, running in for a touchdown but the quarterback's most crucial statistics were three interceptions and a lost fumble.

The Denver kicker, Jason Elam, accounted for the Broncos' only points after the break, his field goal proving to be the match-winner.

The victory puts Elway and the Broncos, a wild-card team, back in the Super Bowl for the first time since 1990 when they lost to San Francisco. Elway was also on the losing side in his other two Super Bowl appearances, against Washington and the New York Giants.

Green Bay, despite playing away from the friendly confines of Lambeau Field where they had won 27 consecutive games and never lost in the play-offs, were never threatened in a match played in torrential rain.

Ryan Longwell kicked three field goals and Brett Favre connected with Antonio Freeman for a 27-yard touchdown pass. Dorsey Levens also added a late touchdown run to seal the victory.

The Green Bay defence dominated, limiting the Niners to a single field goal and never allowed San Francisco to establish any type of running attack. The 49ers' other points

came from a 95-yard kick-off return for a touchdown by Chuck Keeler.

Green Bay are becoming something of a bogey team for the 49ers. Sunday's win was the third consecutive year the Packers have knocked them out of the play-offs.

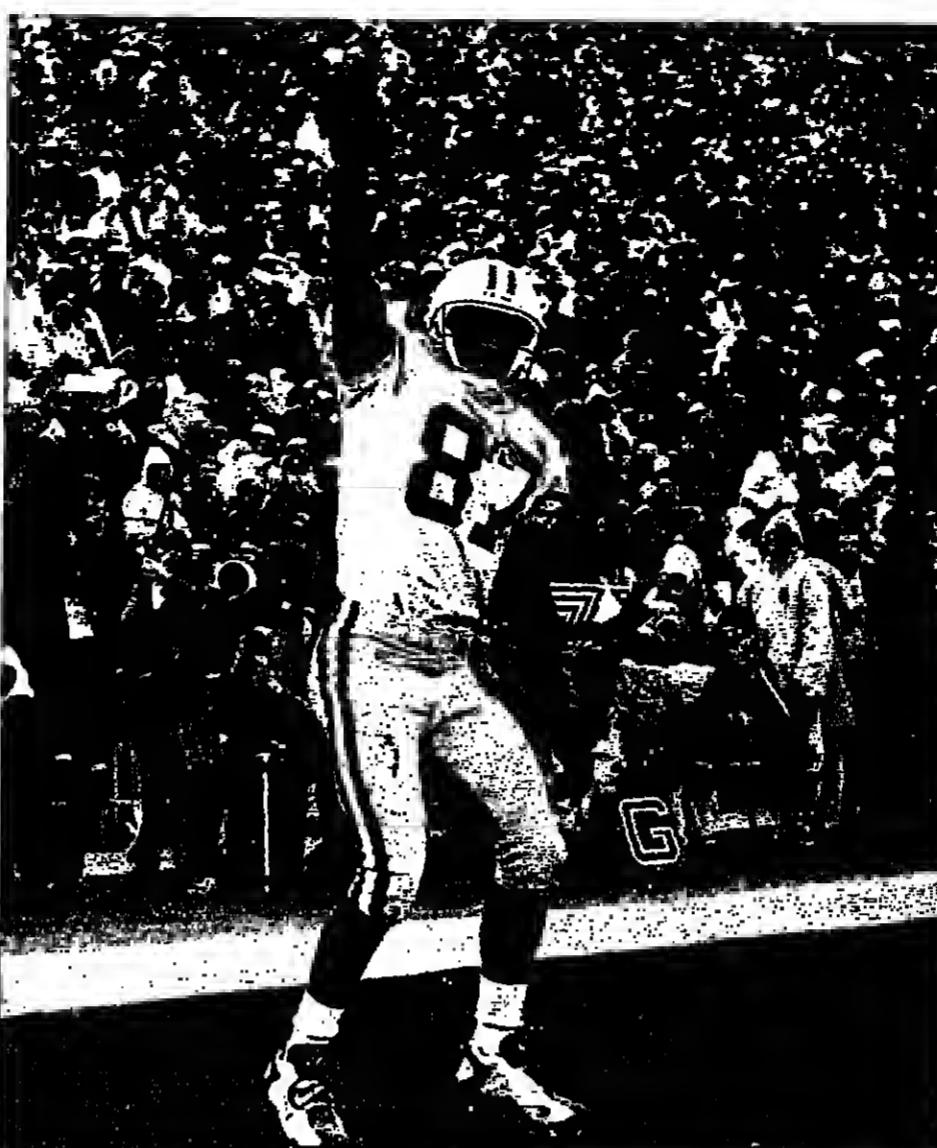
Green Bay will be bidding for their second straight Super Bowl title under the coach Mike Holmgren, who said: "Brett Favre played great. We are used to this kind of weather, but this was real bad."

Favre said: "I only play this game to get to the Super Bowl and win it. The weather was really rough, but the receivers did a great job holding on to the ball. At times that was more than I did."

The Packers are already favourites to win the Super Bowl. An AFC team has not won it since 1984, when the Los Angeles Raiders defeated the Washington Redskins.

• The Indianapolis Colts have named Jim Mora, formerly of the New Orleans Saints, as their new head coach.

— Jeff Taylor



Green Bay's Robert Brooks celebrates a touchdown during his team's 24-10 win against the San Francisco 49ers in the NFC Championship game on Sunday. Photograph: Allsport

Foley and Danoli on course for Cheltenham and gold

The entries for the Cheltenham Gold Cup were published yesterday and although Britain's favourite grey was not among them, Ireland's most popular chaser takes a place. Richard Edmondson reports.

It may be damp and demoralising, and race meetings might be sinking like Atlantis, but yesterday was the date to heat the core of every National Hunt followers' heart.

Cheltenham provided the central heating for adults by announcing the names that will entertain us at the Festival in just nine weeks' time. In the Gold Cup the roll call includes Sun Bay, The Grey Monk, Dorans Pride and Imperial Call. Sparkling among the entries for the Queen Mother Champion Chase are One Man, Ask Tom and Viking Flagship. If a con-

flict between these names does not send a tremor through some part of your body then change sports.

So many do in fact get excited by Cheltenham that there will be a limit on spectator numbers this year. More than 58,000 attended Gold Cup day last March, when you could either get a drink, have a bet or visit the latrines before each race, but you could not pay any two from those three. Following "market research and correspondence", i.e. complaints, the limit has been reduced to 50,000. As the Tuesday and Wednesday of the Festival were well below that figure last season it is still possible that the next occa-

sion's overall attendance figure will be higher than last.

The prize-money is guaranteed to be at record levels. A total of £1.3m is available, the biggest chunk of it the £255,000 brought on a cushion to the winner of the Gold Cup, which celebrates its 75th anniversary. Back in 1924 the Blue Riband was worth £700, but those were the days when that figure could have bought you a couple of continents.

A field of 38 is still in at this stage and where the treasure chest will end is anyone's guess. The sponsors, the Tote, go 6-1 the field. Ireland are well represented with Dorans Pride

and Imperial Call, who attempt to go where no horse has gone before and reclaim the crown, but the result the Gloucestershire seismologists most fear is a win for Danoli.

RICHARD EDMONDSON
NAP: Jubilee Scholar (Lingfield 1.30)
NB: English Invader (Lingfield 1.30)

Having been denied the presidency of his homeland by what must have been the narrowest of margins, Ireland's favourite quadruped is now on course for a racecourse return.

The 10-year-old has had a

lie-down since falling in last year's Gold Cup, but the old bones, and particularly his damaged fetlock, have now recovered.

"I am very happy with him," Tom Foley, the gelding's trainer, said yesterday. "I hope to run him in the Hennessy [Gold Cup] at Leopardstown next month, although the ground would need to dry up a little bit. The ground has been hard here but he has just done a good little piece of work."

"The main aim this year is the English Gold Cup and I wouldn't be that worried if he went straight to Cheltenham after the Hennessy as he's the sort of horse that puts a good hit into his work."

While Martin Pipe may saddle the almost certain runner-up in Challenger Du Lac, a more uncertain horse to evaluate is Strong Promise, Geoff Hubbard's representative was fifth in the Queen Mother Champion Chase 10 months ago but does not even rate an entry in the two-miler this time

around. One Man, on the other hand, a former Gold Cup favourite, is not in the Blue Riband but remains a consideration for the Queen Mum.

There were 19 declared yesterday, including Martha's Son, who appeared to be a fresh enrolment for the old folks' home when he crippled himself at Huntingdon in November. The Champion's champion is now due to go back into training next week and it may even be that he will cast aside the crutches to defend his crown. "Martha's Son is making very good progress," Michael Ward-Thomas, his owner, said yesterday. "If I was a betting man I would bet with a prudential eye on him."

"Last year we had to get him fit from a long absence and lack of a race didn't stop him. These are different circumstances because he was fit enough to run in November, has been box-rested since, and won't require so much long-term fitness getting. But nobody should back him other than with a run."

"Last year we had to get him fit from a long absence and lack of a race didn't stop him. These are different circumstances because he was fit enough to run in November, has been box-rested since, and won't require so much long-term fitness getting. But nobody should back him other than with a run."

RACING'S FUTURES MARKET

Victor Chandler Handicap Chase (2m)

Horse (Trainer)	Coral	William Hill	Ladbrokes
Or Royal (M Pipe, 1st 11b)	9-2	4-1	5-1
Midnight (D Nicholson, 1st 10b)	11-2	6-1	5-1
Colgate (C Merv, 1st 12b)	7-1	5-1	6-1
Cambridge Challenge (T Esterby, 1st 10b)	7-1	5-1	6-1
Lord Donat (A Charlton, 1st 10b)	11-2	9-1	7-1
Astic Klasson (N Twiston-Davies, 9th 12b)	6-1	16-1	7-1
Lookout (G Sherwood, 9th 10b)	8-1	10-1	10-1
Ask Tom (T Cole, 1st 10b)	12-1	8-1	8-1
Jeff Hall (A Morris, 1st 10b)	8-1	12-1	12-1
Time Worn Wait (T Phillips, 9th 12b)	14-1	14-1	14-1
Big Matt (H Henderson, 9th 10b)	7-1	15-1	20-1
Storm Alert (D Nicholson, 9th 10b)	20-1	25-1	20-1
Native American (J Fitzgerald, 9th 10b)	20-1	25-1	20-1
Green Green Desert (G Sherwood, 9th 10b)	25-1	33-1	25-1

Each-way a quarter the odds, places, 1, 2, 3 (Ascot, Saturday)

Minimum weight on the day: 10b

Queen Mother Champion Chase (2m)

Horse (Trainer)	Coral	William Hill	Ladbrokes	Total
Ask Tom (T Cole)	3-1	7-2	3-1	7-2
Flying Flagship (D Nicholson)	10-30	7-2	4-1	7-2
Kidderminster (A Morris, 1st)	9-2	5-1	5-1	9-2
Martha's Son (T Fones)	double	8-1	8-1	52*
One Man (G Richards)	5-1	11-2	7-1	7-1
Muligan (D Nicholson)	6-1	7-1	8-1	7-1
Or Royal (M Pipe)	8-1	16-1	16-1	7-1
Colgate (P Nicholls)	18-1	20-1	25-1	20-1
Arctic Klasson (N Twiston-Davies)	25-1	33-1	25-1	33-1
Lord Donat (A Charlton)	25-1	40-1	33-1	40-1
Lookout (G Sherwood)	50-1	66-1	66-1	66-1
Indian Jockey (M Pipe)	85-1	90-1	85-1	85-1
Jeff Hall (A Morris)	33-1	50-1	40-1	40-1
Flying Instructor (P Webber)	85-1	66-1	100-1	65-1
Katadon (F Dicks)	85-1	150-1	150-1	65-1
Time Worn Wait (T Phillips)	85-1	150-1	150-1	85-1
Lightning Lad (J King)	85-1	150-1	100-1	100-1
Seach The Fish (M Sheppard)	100-1	150-1	150-1	150-1

Each-way a quarter the odds, places, 1, 2, 3 (Cheltenham, Wednesday, 18 March)

* with a run

Cheltenham Gold Cup Chase (3m 2f 110yds)

Horse (Trainer)	Coral	William Hill	Ladbrokes	Total
Domine Pride (H Houghton)	7-1	2-1	7-1	7-1
The Grey Monk (G Richards)	7-1	2-1	6-1	6-1
Midnight (D Nicholson)	6-1	7-1	6-1	7-1
Imperial Lad (P Shulman)	6-1	7-1	6-1	7-1
Sunny Day (C Brooks)	8-1	7-1	6-1	8-1
Seach The Fish (P Nicholls)	12-1	12-1	12-1	12-1
Seach The Fish (T Casey)	12-1	15-1	14-1	15-1
Strong Promise (G Hubbard)	15-1	15-1	15-1	20-1
Ask Tom (T Fones)	18-1	20-1	20-1	20-1
Bartolo (D Nicholson)	25-1	33-1	25-1	25-1
Challenger Du Lac (M Pipe)	25-1	25-1	25-1	25-1
Coope (W Dennis)	25-1	33-1	25-1	33-1
Conduit (P Dicks)	100-1	100-1	100-1	100-1
Time Worn Wait (T Phillips)	85-1	85-1	150-1	85-1
Lightning Lad (J King)	85-1	150-1	100-1	100-1
Seach The Fish (M Sheppard)	100-1	150-1	150-1	150-1

Each-way a quarter the odds, places, 1, 2, 3 (Cheltenham, Wednesday, 18 March)

* with a run

Horse (Trainer)	Coral	William Hill	Ladbrokes	Total
Domine Pride (H Houghton)	7-1	2-1	7-1	7-1
The Grey Monk (G Richards)	7-1	2-1	6-1	6-1
Midnight (D Nicholson)	6-1	7-1	6-1	7-1
Colgate (P Shulman)	6-1	7-1	6-1	7-1
Seach The Fish (P Nicholls)	12-1	12-1	12-1	12-1
Martha's Son (D Williams)	50-1	100-1	100-1	100-1
Domine (D Nicholson)	50-1	66-1	100-1	100-1
Lightning Lad (J King)	85-1	100-1	85-1	

26/ THE DRUG VICTIMS

Medals tainted by revelations of East German abuse

As the East Germans produced a stream of sporting triumphs in the Seventies and Eighties, it was difficult not to wonder how many of their awesome performances were drug-assisted. Now we know that many were.

Recently, a number of British competitors denied Olympic, world, European, or Commonwealth glory by drug abusers have called for a reallocation of medals. However, as Mike Rowbottom reports, it is not as simple as that.

The news of suspected Chinese drug abuse now emanating from swimming's World Championships has struck a particularly chilling chord with Kathy Cook, Britain's leading sprinter of the 1980s. It is not hard to understand why.

Voices have been raised in recent weeks to rewrite the record books in the light of the latest evidence that, until its demise in 1990, East Germany ran a state-governed doping policy involving all its significant performers.

It was Cook's misfortune that her prime coincided with the prime years of the regime which turned a small country of 17 million people into the third-strongest sporting nation on earth behind the Soviet Union and the United States.

If one subtracts the performances of retrospectively implicated East Germans in Cook's races, you could argue she would have won at least another three major medals in her career. She would have been the European 200m champion in 1982 – when she took silver – and would have had two individual medals from the 1980 Olympics to add to the bronze she did win in the 400 metres at the Los Angeles Games of 1984.

No other British competitor, save perhaps the swimmer Sharron Davies, who lost out on the 1980 Olympic 400 metres medley title to a 17-year-old East German, appears to have been as harshly affected by the activities of the discredited GDR.

So the suspicion that more cheating might be underway on a huge and orchestrated scale lowered the spirits of the Olympian, who is now a 37-year-old mother of three and part-time teacher.

"When I heard about the latest Chinese incident, I thought to myself 'Surely it isn't all happening again, with just a different set of people? It is just so depressing.'

Perhaps the most depressing element of the unearthing of the old GDR methods is the horrifying realisation that drug-taking was systematic and state-controlled.

As a number of sportsmen and women from the former Communist state take out legal suits against their old coaches and doctors, claiming that drug-taking has damaged their health, fuller details of what was bald-



Britain's Kathy Cook (in lane two) finishes third behind East Germany's Marita Koch at the 1983 World Championships in Helsinki

Photograph: AP

ly known as State Plan 14.25 have been uncovered.

Professor Werner Franke, a molecular biologist appointed to investigate GDR methods by the German parliament, says he has found Stasi secret police files showing that "hundreds" of East German competitors who won titles were on drugs.

That claim has been given credence by testimonies from former competitors such as the shot putter Heidi Krieger, who says she was forced to undergo a sex-change after being fed huge doses of male hormones in anabolic steroids, and the swimmer Roland Schmidt, who claims he is one of many male athletes who have had to have breasts surgically removed.

These plaintiffs are the prime victims of the GDR doping regime, notwithstanding the understandable outrage or frustration of those whom they deprived of medals. What recompense they will gain from the legal suits they have taken out against their former coaches and doctors remains to be seen.

Any convictions would certainly increase the pressure on the International Olympic Committee to re-allocate medals. The precedent for doing this is already well established. Four years before Ben Johnson's Olympic 100 metres title passed to Carl Lewis following a positive drug test, Britain's Mike McLeod was promoted from bronze to silver medallist in the 10,000m at Los An-

geles after Finland's Martti Vainio was found to have taken steroids.

But these decisions occurred after positive tests from the races themselves. As many East German competitors have testified, GDR athletes due to compete internationally were told when to stop taking their pills beforehand and tested to make sure no illegal traces remained in their bodies. If they showed up positive, they were told to withdraw because of injury.

The International Amateur Athletic Federation has already balked at annulling GDR performances at past championships, not least because they have a six-year time limit on any such alteration.

Cook, who is married to the for-

mer British 400m runner Garry, sympathises with Davies' demand that she be awarded her rightful medal nearly 20 years after the event.

"I can fully understand how Sharon feels," she said. "Just like her, I have been thinking about the question a lot recently. You do wonder if things in your life might have been different if all this had come to light nearer the time."

"Garry and I talk about it when evidence comes out, and we say jokingly, 'I was robbed. But I had my fair share of standing on the rostrum, and I think there is too much water under the bridge to change things now.'

Cook's magnanimity is partly informed by simple logic. As she points out, if GDR performances are

to be annulled, how does one legislate for all those wrongfully knocked out in the heats and semi-finals, and how can one say how they might have reacted to the challenge of continuing competition?

The other major factor which would militate against such draconian action is that it is too simplistic to believe that only GDR athletes were cheating. Sufficient doubts have been raised about the performances of Western athletes in the Olympics involving the GDR – in 1972, 76, 80 and 88 – for that position to be rendered ludicrous.

Anecdotal details of the East German drug regime have been around for several years. In 1989 Hans-Georg Aschenbach, an East German

did because she chose to go down that track herself," Cook said. "It seems a lot of the East German athletes were taken as youngsters and told what to do without always being given the facts. It's a horrific situation, but you can have more sympathy for people involved in it."

"One of the saddest things is that those East German athletes were never able to show how good they really were without the help of drugs. Their whole careers were flawed."

"I don't know how you could win a race knowing that you had cheated and gain any satisfaction from it. Once the initial excitement was over, the lap of honour and the medal ceremony, I don't think I could live with knowing that I had cheated. It's the way you are made, I suppose."

They got flats, we got a drink with Ted Heath

Hugh Matheson, the Independent's Rowing Correspondent, was beaten to a gold medal by an East German crew at the Montreal Olympics in 1976. However, he believes his defeat in the eights final was down to the winners' professionalism – not drugs.

"Sell yourselves dearly". That was all Bob Janousek, our Czech coach, said before we went out for our Olympic eights rowing final. It was the best summary of three years' instruction that had taken the British crew from bottom of the pile at Munich in 1972 to pole position in Montreal. The phrase told us that we had the speed and skill to win, but that we were not favourites.

The race plan born from the experience of the heats and semi-final showed that we had to get to the front shortly after half-way and build our lead and try to hold off challenges in the closing stages. East Germany and New Zealand, the winners four years earlier, were the toughest opposition. The United States and Soviet Union, who should have been in the medals, had blown it early and were not in the final.

New Zealand could start fast, but we were covering the first 500 metres faster than the best eights do, even today. But they, like us, were amateurs, all in work and mostly on unpaid and grueling holiday to attend the Olympics. The East Germans were different. They trained, as professionals, four to five hours a day. There were 300 full-time

coaches in their system. There were two in ours. They had a huge pool of athletes who had been drawn into the sport from an early age.

Much of our inside information came from Janousek, who had also been given a deep and detailed five-year-course in physical education at Charles V University in Prague and had insight into the thoroughness with which sporting success, which was in effect a branch of foreign policy, was applied behind the Iron Curtain.

We also assumed that they were given help from drugs. Because we knew little of the pharmacology that might be involved – beyond the standard "anabolic steroids" – our suspicions were unsophisticated and frankly did not make a damn bit of difference.

We were all so manic in our own determination and so dog tired from the intensity of the training that we crammed into an hour and a half on weekdays and four at weekends that we spent little time thinking about it.

The East Germans did everything differently. They covered huge mileage at a low level of pressure working to raise their aerobic threshold. We sprinted everywhere and learned to work with high levels of pain and lactic acid in the joints. They spent at least a month each winter at high altitude in Bulgaria doing long-distance training on skis. They got a two-week holiday in Cuba if they won a gold medal. Ted Heath, then Prime Minister, asked us for a drink at Lancaster House.

There was plenty of downside for the East Germans. Their sports organisations were riddled with Stasi secret police officers. Sport was, after all, a means of expression

for the state, not for the sportsmen, who were patronised and thanked with holidays and better flats.

They had to earn it, not just in competition but by toeing the party line which included a good deal of moralising about personal relationships. People were dropped from teams for having the wrong sort of affairs.

And, now that 20 years have passed, the biggest downside of all is emerging: the drugs they took are popping out again in the form of reproductive difficulties and sexual confusion. The swimmers are beginning to sue their coaches and managers for abuse of minors under their care.

Janousek knew that most of us in the British crew would do whatever it took to win. We were willing to abuse our bodies to the extent of massive fatigue and pain, and a pill or two that relieved the stress and allowed more chance of success would not have seemed inappropriate to me then. Janousek was adamant and tough. It was not an option – a decision he took knowing the eventual price in results. Thank goodness he did. However, it never worried me that others took the opposite view.

At least the East Germans were under very strict controls, unlike other nations where athletes regularly dosed themselves with drugs bought from the local chemist, with no testing or controls.

In 1993 I received from Professor Werner Franke, who has collected most of the documents which survived the fall of the Berlin Wall in 1989, an academic paper describing the experiments with the East German rowing team in 1980. In this paper, the rowers are not

named but cited by numbers. They are, however, easily identified because their racing records in the western regattas are quoted in full along with their Olympic results.

It is important that if in time the East German results are wiped from the record because of evidence of systematic drug abuse it will happen because it was systematic and was properly recorded. All the more chaotic abusers, which should include most of the Warsaw Pact countries, will get off only because they had no proper controls and no record keepers.

I have never given this particular fact publicity before because it would have seemed like sour grapes of the "We woz robbed" kind and because until the recent flurry of revelation people were not interested in what is a narrow and personal view.

But the overwhelming reason for keeping quiet about the drug abusers is that it remains to me a detail, a sidebar, to the principal reason we lost a gold medal in July 1976. We took the lead as planned with a devastating burst at 1,000m, which took half a length off the field and broke the New Zealanders. We held our lead right through the next 750m, but the headwind was sapping and made it a slow race. It favoured those with extensive training, the four-hours-a-day kind that is universal now.

Our intense programme made us thrilling sprinters, but with 150m to go we had run out of steam, and it was indeed East Germany who deservedly went through to win. Our heads went down and the boat slowed across the lanes. We had silver, but we had been defeated by stronger men.

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The record books state that the gold medal for the women's shot put in the 1986 European championships in Stuttgart was won by Heidi Krieger, with a throw of 21.10 metres. She was 21 and at the pinnacle – it later transpired – of her career.

Krieger had been training hard since the age of 13. When she was 16, she started receiving the little blue pills from her coach. These "vitamins" were wrapped in silver paper, and seemed to help her gain strength. As the weights she lifted daily in the club gym increased, so did the size of the pills. Still, she asked no questions. She was somewhat surprised when the sports doctor prescribed her contraceptive pills, even though she was completely innocent in matters of sex, but took them obediently as well.

After her triumph in Stuttgart, Krieger's body began to rebel against the punishment. Her back was aching all the time, her knee and hips had to be operated on. In 1987 she was taking five of the blue pills a day, yet still came only fourth in the World Championships.

By now she was acting all over.

The muscles she used to be so proud of no longer felt like her own. She suddenly felt trapped in a body that was not hers, abandoned women's clothes and started to feel embarrassed about going into the women's lavatory. She felt like a man.

She only discovered why several years after the fall of the Berlin Wall. "Hormone Heidi" – as she had been known to her coaches – had been fed a record amount of testosterone: two and a half times the amount recommended in East German sports scientists' secret manuals. The contraceptives – a cocktail of female hormones – were administered in order to maintain a semblance of femininity.

But a man she was, and last year she completed the metamorphosis in as much as that is biologically feasible. After another course of testosterone to complete the job, Heidi's breasts, womb and ovaries were removed, and the person emerging from the operating theatre took up

"Hormone Heidi": Drugs turned her into a man



the name of Andreas. The male organ is yet to be built, but "Mr. Heidi" is happy none the less. At least he is alive, in a body to which he can now relate.

Several former East German athletes have committed suicide, and hundreds more are thought to be suffering various drug-related ailments. Catherine Menschner, a 33-year-old former swimmer, is not certain whether it was the drugs or the strenuous training which literally broke her back. Now she cannot even lift her eight-year-old child.

An estimated 2,000 athletes were given performance-enhancing drugs in the 1970s and 1980s. Even seven years after the disappearance of East Germany, many medalists are maintaining silence over the drugs they received. But some are beginning to speak out.

A questionnaire sent out by Berlin prosecutors investigating doping practices has been filled out and returned by some 600 victims. Their complaints are textbook cases of steroid abuse: liver and kidney damage, impotence, severe emotional problems.

With the help of their testimonies, the prosecutors hope to put away a few of those supplying drugs. At the end of last year, four former East German swimming coaches were charged with causing bodily harm. Two of them, Dieter Lindemann and Volker Frischke, were hired by the German Swimming Federation after unification but had been recently suspended because of the investigation. For the moment, many other trainers remain at large, coaching the national squad for another successful Olympics.

RUGBY LEAGUE

Lindsay's new role sets off alarm bells

Maurice Lindsay was paraded yesterday like a club's new signing, the man they used to jeer but were now free to admit they thought was wonderful all along.

Lindsay's transfer from his role as chief executive of the Rugby League to his new one as managing director of Super League was ratified by the elite clubs at Headington.

That left Lindsay and the organisation's chairman, Chris Caisley, to explain that, contrary to appearances, they had always been firm allies. Caisley, formerly one of Lindsay's most trenchant critics, said: "I don't want to talk about the past, but despite the fact that we've had our disagreements when it's come to critical issues we have been of one mind."

Lindsay himself, safely repositioned after being shunted out of his previous job, welcomed the opportunity to concentrate entirely on the flagship of the British game. "My energies will be devoted to Super League, but that does not mean that I'm not concerned about the success of the game as a whole," he said.

For all that, the sight of the unbold alliance of Lindsay and Caisley, the two heaviest hitters in the game, will ring alarm bells in the lower divisions, where they will inevitably fear under greater threat of being cut out of the deal with News Limited that ensures many of the clubs' survival.

Lindsay, however, denied that he would be using his new position to seek revenge against individuals or clubs who had manoeuvred him out of his old job. Nor did he think he would have any difficulties working alongside former colleagues at

headquarters, where he will be based for the immediate future.

"If you can't be mature, polite and professional over things like that, you shouldn't take up senior positions," he said. "I don't take back anything I've said about the need to drive Super League forward, but there is no need for obvious opposition to particular individuals."

Caisley, also chairman of the Bradford Bulls, said that the sponsorships he hopes Lindsay's presence will help to attract would benefit the whole game. He warned, however, that he would not be willing to see Super League held back by decisions made at the Rugby League Council, the governing body on which lower division clubs can still outvote the élite.

Super League will want a large say in the renegotiation of the contract with News Limited before the current one ends in 2000. The good news for the other clubs is that neither Lindsay nor Caisley would object to them cutting their own television deal, which could lead to financial independence.

Caisley revealed that the League was paying dearly for Lindsay's move. It will cost the organisation some £500,000 a year to finance him and his personal assistant as well as Colin Myler, the chief executive.

It was Myler who last week described Wigan's prospective signing, Wendell Sailor, as the Ronaldo of rugby league. He did not need to extend the comparison yesterday, Lindsay's presence two seats down was proof that he remains the Houdini of rugby league.

— Dave Hadfield

ICE HOCKEY

Eagles hit stormy weather

The unpredictability of the Superleague was illustrated again on Sunday as the top two clubs, Ayr and Nottingham, were beaten.

Ayr Scottish Eagles could have extended their lead at the top to a commanding six points if they had managed a seventh successive victory when they faced Manchester Storm. But the Storm, once leaders of the eight-team élite league before a recent bad run, found their form in front of a near 10,000 crowd, winning 5-3 to keep their own title hopes alive.

Manchester deserved their win as they outshot the visitors 48-36 and after a 1-1 first period, had the edge in the remaining two sessions. Brad

Cardiff took a 4-0 lead with goals from Steve Morris, Ivan Matulik, Vezio Sacrami and Steve Vezio. But had to weather a comeback by the Panthers, who responded through Jeff Sebastian, Blake Knox and Jamie Leach. Just 19 seconds left, Shannon Hope secured his 1,000th point for the Devils as he set up Matulik for the final goal.

"And he'll go along similar

lines as before, trying to increase his numbers of overs and his pace. He'll be under supervision at Yorkshire and we'll see how he goes. There's a fine line between being totally fit and not quite fit. I have spoken to him twice a week and he's pretty pleased with how it's going."

Should Gough satisfy all the fitness requirements, he could be available for the second Test in Spain. Trinidad, on 13 February.

England play Trinidad and Tobago before the Test and that could be used as a warm-up match for the fast bowler.

● Wasim Akram called for a top-level inquiry yesterday to clear his name over match-fixing and betting allegations. Wasim, who recently resigned as Pakistan captain because of the accusations, said: "I have no objection to appearing before a high-level committee because I know I am being framed by certain quarters. I have played and represented Pakistan with distinction and my conscience is clear, but I want the issue to be dead once and for all and the only way to do it is to constitute a high-level commission."

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FOOTBALL

Venables sells his Portsmouth stake to Gregory

When Terry Venables bought a 51 per cent stake in Portsmouth for £1, the future looked bright for the south coast stragglers. Reality intruded yesterday, however, when the Australian national coach sold his stake to director Martin Gregory. Chris Maume reports.

Terry Venables, whose tenure as chairman of Portsmouth has brought little or no improvement in the club's fortunes, yesterday sold his shares and agreed to leave the First Division stragglers.

The Australian national coach has accepted a cash offer from director Martin Gregory which will see him sell his 51 per cent controlling interest in the club. The Gregory family will now take control of Pompey with a 96 per cent shareholding in the club, which is losing £150,000 per month.

Venables agreed to a six-figure pay-out after a meeting with one of Pompey's directors, Brian Henson. BBC radio reported yesterday that Gregory had agreed to pay Venables £300,000 for his stake in order to open negotiations with a United States consortium interested in the club.

Venables has controlled Pompey for 11 months but has failed to attract the investment he originally hoped for when he arrived at Fratton Park after guiding England to the Euro 96 semi-finals.

The former England coach was offered £100,000 for his 51 per cent stake in the club last week but wanted to hold out for £500,000 - £499,000 more than he paid for the shares last February.

"The time is right for Venables to go," Gregory, who was in Switzerland on business yesterday, said. "He should walk away. I realise I am not the most popular person in Portsmouth but things were never this bad. We thought we were pulling one of the world's top coaches but it has not worked."

Pompey are bottom of the First Division, two points adrift of their nearest rivals, Bury, and are preparing for tomorrow night's FA Cup third round replay at Aston Villa.

Venables, who has long dreamed of owning his own club, arrived at Portsmouth as Director of Football in August 1996 and became chairman in December of that year.

But, in November last year, Venables' position first came under threat when the club sank to the bottom of the First Division and were reportedly having

problems in paying players and staff - a matter only resolved after the Professional Footballers' Association stepped in. This came only three months after Venables' company, Vencorp, received a £300,000 bonus from the club as a "one-off performance bonus."

His future at Pompey was also questioned after Australia failed to qualify for the World Cup finals when they lost in a play-off to Iran.

Venables has enjoyed mixed fortunes in his business career. He was the chief executive of

Tottenham from 1991 until 1993 until his contract was terminated by fellow directors. He was reinstated on the strength of a temporary injunction, but defeated after a High Court hearing and ordered to pay costs.

He is due to appear before

a High Court hearing in London

tomorrow, where the Department of Trade and Industry is seeking to have him disqualified as a company director as a result of his involvement in other companies in the past. The case is complex and is expected to last for at least three weeks.

Gascoigne flute row grows louder

The Old Firm war of words over Paul Gascoigne's flute-playing antics continued last night when Celtic hit back over criticism by the Rangers chairman, David Murray, of his opposite number, Fergus McCann.

Murray was furious with the Parkhead managing director after he sent a letter of complaint to the Scottish Football Association over the England midfielder's controversial gesture while warming up on the touchline during the Scottish Premier Division match at Park head on 2 January.

Gascoigne issued a public apology after Rangers' 2-0 win against Aberdeen at Ibrox on Saturday, expressing his regret at his actions and disclosing he has been fined £20,000, which will go to charity.

Murray reacted angrily when he discovered McCann had sent a letter to the SFA demanding action against the player. In a tersely worded statement yesterday, Celtic responded to Murray's own complaints as the row simmered on.

The Celtic statement read: "David Murray is aware of why Celtic sent a letter to the Scottish Football Association regarding wider issues than solely Paul Gascoigne's recent actions at Celtic Park. Although he has made public remarks through one newspaper, he has chosen not to comment on all the issues raised in the letter. Celtic has not made this a public matter and has no wish to at this stage. Celtic will now await the Scottish Football Association's response."

Earlier, Murray had questioned why McCann had felt the need to write a letter of complaint to the SFA. He said: "Just as it is not for me to tell Celtic how to conduct their affairs, it isn't for them to tell me how to conduct mine. I am disappointed that, rather than write to the SFA, Celtic couldn't call me if they felt strongly about what Paul Gascoigne did. We have sorted things out in the past and I think Fergus [McCann] has set a dangerous precedent."

— Bryn Palmer



Open and shut case: Belgium's Fred Deburghgraeve powers his way towards the gold medal in the 100 metres breaststroke at the World Swimming Championships in Perth, Australia, yesterday. The shaved-headed Olympic champion, who missed all of last year's major championships in order to concentrate on the Perth event, won in 1min 01.76sec

Report, page 27; Photograph: Greg Wood/AFP

RUGBY UNION

Bath front row cited over Fenn's bitten ear

London Scottish
yesterday cited the
entire Bath front row -
Kevin Yates, Federico
Mendez and Victor
Ubogu - for foul play
in an effort to force the
West Country club into
identifying the player
who bit the left ear of
Simon Fenn during
Saturday's Tetley's Bitter
Cup tie. Chris Hewett
assesses the latest moves
in a gruesome affair.

Frustrated by their opponents' failure to act quickly and decisively over an act of gross foul play, the Londoners cited the entire Bath front row to the Rugby Football Union. The move put the England international props, Kevin Yates and Victor Ubogu, and Federico Mendez, the Argentinian World Cup hooker, in the dock - no laughing matter for the two innocent parties.

"London Scottish have excised their right within the seven-day time limit, to deliver a citing against the Bath front row," Terry Burwell, the RFU's director of Twickenham ser-

vices, said yesterday. "Bath must respond by Friday and the citing hearing will take place as soon as possible." However, that was not the extent of Burwell's comments. He added, astonishingly, that "the onus was on London Scottish to prove to the RFU disciplinary panel which player was responsible."

By saying that Burwell raised the possibility of the culprit getting off scot-free or Scottish-free, video evidence has so far failed to produce a water-tight identification and with the expanding population of sports solicitors scenting a possible financial

killing, the complainants were reluctant last night to push the boat out any further.

"I'm disgusted by the incident and, as a business, we will want compensation," said Richard Yerbury, the London Scottish chief executive who, ironically enough, lives just outside Bath and within a mile of Swift, his opposite number.

"We are a business and I expect Simon to be out for between four and six weeks at best."

"We have a good idea who did it but for legal reasons, we won't say. We have sent player statements and the videos to the

RFU and now it is up to them to decide whatever the punishment will be. We hope that Bath will come to a decision quickly so we can put the whole thing behind us."

Fenn, who was making his senior debut for the Exiles after being lured from top-grade rugby in Sydney, may yet need plastic surgery and was due to consult a specialist today. "There is a huge risk of infection and that could make the healing time a lot longer," he said last night.

"I have never experienced anything like that on a rugby field and initially, it was a shock. You can't protect yourself from anything when you are at the bottom of a pack. Yes, I'm surprised he hasn't come forward. For the sake of his club, his sponsors and his team-mates you would have thought he'd have done so."

Swift insisted that Bath were not evading responsibilities by prolonging their internal investigation. "We feel it would be dreadfully irresponsible of us to enter into any speculation as to the nature of the incident before we have been able to examine all the available evidence."

He added that club officials were in close contact with the authorities, that video evidence was being reviewed and that players were still being questioned. However, the delay in taking tangible steps against the perpetrator continued to make a mockery of Bath's current advertising and marketing catchphrase: "A higher class of rugby."



Simon Fenn's ear after Saturday's Cup tie against Bath and (right) the London Scottish flanker faces the media at Richmond yesterday

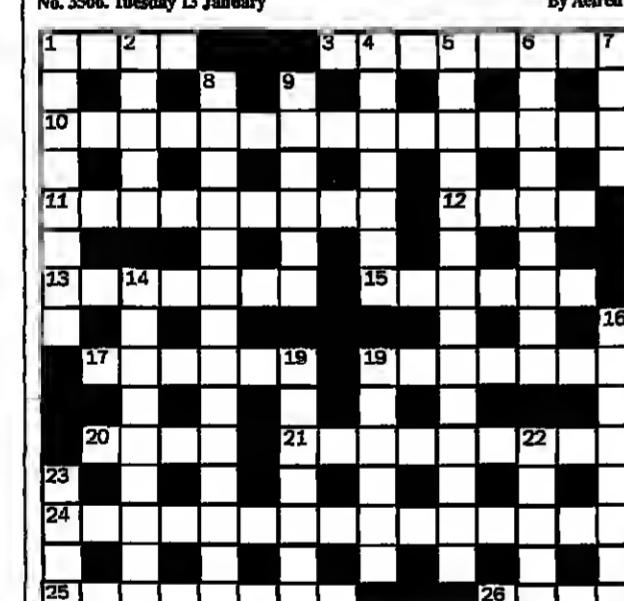
Photograph (right): Peter Jay

THE INDEPENDENT CROSSWORD

No. 3506. Tuesday 13 January

By Adrod

Munday's Solution



ACROSS

- 1 Indicate correct time (4)
- 3 A number joining right group in county (3)
- 10 Certainly not getting on site though given a starting point (7,3)
- 11 Form of words in which civil engineer obscures time of mishap (9)
- 12 Certainly not marine standard (4)
- 13 Cunning method of entrapment? (7)
- 15 What golfer uses thrice has to show instability (6)
- 17 University in river races will have no medal in this position (6)
- 19 Old worker restricts new French company (7)
- 20 Bubbles on the water in south of France on top of sea (4)
- 21 Bring in amazing reduction (9)
- 24 All the same lacking status? (15)
- 25 Wild grove on terrace might well do this (8)
- 26 It's not to be taken literally in writer's short article (4)
- 27 DOWN
- 1 A terrible jam in forced half is a feature of India (3,5)
- 2 Funny old note in volume (5)
- 4 Unusual description of constable on day of rest? (7)
- 5 Old writer's English narrative which gives credit to employee (7,7)
- 6 Soundly observe a sort of block in onshore wind (3,6)
- 7 An outburst of plaintive weeping is sickly sentimental (4)
- 8 Show public display of clothing? (6-8)
- 9 Bureau sends a bit of information to Cyprus (6)
- 14 Savoury cake and game to note (9)
- 16 Force on street section changed from left to right (8)
- 18 Sigh of resignation seeing reduced elevation on house (5-2)
- 19 Clever form of statue (6)
- 22 Bring together in university on empty Friday (5)
- 23 Loose fellow leaves amusing party (4)

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Holiday Inn
CROWNE PLAZA*

Holiday Inn
GARDEN

Holiday Inn
GARDEN COURT
EXPRESS

ALL YEAR ROUND
SHORT BREAK OFFERS
AT HOTELS ACROSS
THE UK